

INCREASING EMPLOYMENT OPPORTUNITIES FOR THE ELDERLY

HEARINGS
BEFORE THE
SUBCOMMITTEE ON
EMPLOYMENT AND RETIREMENT INCOMES
OF THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
EIGHTY-EIGHTH CONGRESS
SECOND SESSION

Part 2.—Los Angeles, Calif.

JANUARY 10, 1964

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NOTE.—Three hearings on increasing employment opportunities were held and they are identified as follows:

- Part 1—Washington, D.C., December 19, 1963.
- Part 2—Los Angeles, Calif., January 10, 1964.
- Part 3—San Francisco, Calif., January 13, 1964.

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INCREASING EMPLOYMENT OPPORTUNITIES FOR THE ELDERLY

FRIDAY, JANUARY 10, 1964

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND
RETIREMENT INCOMES OF THE U.S. SENATE
SPECIAL COMMITTEE ON AGING,
Los Angeles, Calif.

The subcommittee met at 10 a.m., pursuant to notice, in the police auditorium, Police Building, 150 North Los Angeles Street, Los Angeles, Calif., Senator Jennings Randolph (chairman of the subcommittee) presiding.

Present: Senators Randolph of West Virginia and Moss of Utah.

Committee staff members present: J. William Norman, staff director; John Guy Miller, minority staff director.

Senator RANDOLPH. The committee will come to order.

The first hearing in California is being held in Los Angeles today by the Subcommittee on Employment and Retirement Incomes of the Special Committee on Aging of the U.S. Senate.

We believe this to be a hearing which can be helpful, not only to the members of the subcommittee and to the committee, but to the Senate; hopefully, to the Congress of the United States. I make the very blunt statement at the beginning that the monster of chronic unemployment is perhaps one of the most, if not the most, pressing problems calling for solution in the United States, at least on the domestic front as we hold this hearing today.

So we are thinking especially now of increasing employment opportunities for the elderly, with particular emphasis on part-time employment. We began, as Mr. Norman of the committee staff will recall, hearings in Washington on this subject during 1963. We come to this State, not only because there is a large concentration of senior citizens in California, but we have heard of certain creative and imaginative work that is being done here to encourage older Americans to help themselves by finding and retaining employment.

At this point I wish to say that it is difficult to retain employment, not just at age 65. It is difficult at 45. We have automation with its impact moving in on the employment rolls of the people across the broad spectrum of our American society. This is something that causes us concern.

Later we shall have testimony from a representative of the AFL-CIO, and I shall perhaps talk about automation with that witness when he testifies.

But this monster of unemployment in an affluent society, it reflects a failure, at least in degree, for the American people through elected representatives and others within government, industry, along the main streets and the country lanes, to find the answers. This is a problem. A problem in certain sections of the country to a greater degree than in others.

Of all possible solutions to the financial problems of senior citizens, the one I think which they themselves prefer is to gain full employment, enabling them to continue to be independent, self-sufficient, and productive members of the American society.

I think that we overlook that this is also desirable from the standpoint of the younger population of our country, who in many instances must help their seniors bear financial costs, some might say financial burdens.

I was privileged last night to be interviewed over radio station KFI in the Hollywood area. I was told by the gentleman who accompanied me there, Mr. Gene Anderson, who is coordinator of the Los Angeles County Department of Senior Citizens Affairs, that increasingly to the organization of which he is a part come these younger folk trying now to find the answers because they realize that they have this problem of working with their parents in a different way than we had it when we were a—let's say, a rural society in America.

We are now an urban society. People are compressed within relatively small areas. This wasn't so 25 or 50 years ago, so these problems of family units, what we shall do with those who are incapacitated and older at times, and aren't able to be as accurate as they were previously, these are problems that affect young people as well as the ones who are facing the acute problem of perhaps a less active age bracket.

So to the extent that older persons are able to meet their own pecuniary needs through their own resources, there is a lessening of the tax burden, to use that word, and problems of support that are oft-times borne by others who, very frankly, are having difficulty in caring for the needs of their own immediate family.

So we will give attention to employment—part-time employment—for the elderly. Many people of advanced age, while unable to undertake full-time employment are fully capable of working part time. They want to do so.

Thus they remain in what I call the mainstream of life. They are not shunted aside and they retain a sense of dignity and of usefulness. So working at least part time is beneficial to both their mental and their physical wellbeing.

These people, they possess skills; we mustn't forget this. They are patient. They are thorough. They have the right attitude about a job now and they have good work habits.

These aren't just words of pleasantry. I think I speak of facts, and so part-time employment helps to solve the money problems of these people.

For many years the recipients of old age survivors and disability insurance, Senator Moss is cognizant of this fact and joins me in this expression, these people who are 72 and older, they have been permitted to earn unlimited amounts without the loss of their OASDI benefits.

Now, under recent amendments such persons who are under 72 years of age may earn up to \$1,200 annually without any reduction in their benefits, but more importantly, and this is overlooked, and up to \$500 more a year can be earned with a loss of only \$1 for each \$2 that have been earned.

This is overlooked often when we discuss the OASDI benefits.

Now, in addition, it was my responsibility to cosponsor an amendment, enacted in the 87th Congress, which provided that the first \$10 of the old age assistance recipient's earnings and half of the next \$40 of these earnings may be disregarded in figuring the grant to that elderly person, and thus, if we are able to increase part-time employment for the elderly, we find a practical means of contributing to the national economic stability without substantial cost to the general public.

Now, our subcommittee today will listen with interest; I am sure that we will be helped by the witnesses who will testify.

We want to know what is being done in California by our Federal and State Governments and by private organizations and civic groups in providing jobs for senior citizens.

As Senator Moss said in conducting the subcommittee hearings on housing for the elderly, we will hope that there will be given to us information which will aid us in taking action to make available additional employment opportunities for the Americans in the age group to which we are giving particular attention in Los Angeles today.

Senator Moss, before we hear our first witness it would be appropriate and helpful if you desire to make comment.

Senator Moss. Well I just briefly would like to say, Mr. Chairman, I concur most heartily in what you have said about this problem of making employment available to our elderly citizens.

I think one of the most debilitating experiences that can happen to an older person who has led an active life and contributed all of his life in that productive way is to suddenly be faced with an involuntary and forced idleness.

Now, while older citizens should not be required to do all the rigorous and strenuous work that becomes beyond their strength at times, there should be opportunities for them to have employment in areas where they can still contribute their skills and feel useful and take pride in work, and this is the area that needs probing.

We need to find answers and we need to evaluate what is being done, and has been done, but most of all, we need to point toward additional things that may be done to open this up to our elderly citizens, open up the opportunity.

So, I will listen with great interest to the testimony here and our subcommittee will then see if there is anything further that we can do in our sphere to achieve this end.

I am happy to have the opportunity to come here; one of the areas of imagination in this field I think is southern California and that is a good reason for coming to the first field hearings here.

Senator RANDOLPH. Thank you, Senator Moss.

Our first witness today, as yesterday, you will recall—some of you who were in the audience—is George McLain, the chairman of the California League of Senior Citizens.

Mr. McLain, would you come forward?

STATEMENT OF GEORGE McLAIN, PRESIDENT, NATIONAL LEAGUE OF SENIOR CITIZENS; CHAIRMAN, CALIFORNIA LEAGUE OF SENIOR CITIZENS; MEMBER OF GOVERNOR'S COMMITTEE ON AGING

Mr. McLAIN. My name is George McLain. I am president of the National League of Senior Citizens, with headquarters at 1031 South Grand Avenue, Los Angeles, Calif.

During my 24 years' activity with the elderly I have found their problems fall under three headings—economic, health, and housing.

I am certainly gratified, Senator Randolph, that you are chairman of the Subcommittee on Employment and Retirement Incomes of the Elderly. From your travels throughout the United States during these past 5 years as a member of the Special Committee on Aging, listening to the testimony of hundreds of thousands of elderly, you have personal knowledge that their No. 1 problem is income. With an adequate income, let us admit they can pay for health services. They can also pay for the best of housing, and retain self-confidence and respect. Yes, under our format of living, with all of its human demands, the need for spending money is the root problem for most of us.

Our State has tried to develop employment for elderly persons. About the only jobs generated has been the employment of the State or county employee hired for this purpose. What is needed is for the Members of our U.S. Congress to allow the elderly to seek or create their own jobs and not penalize them if they are receiving old age and survivors insurance benefits or State old age assistance.

The last time Congress overhauled the earning privileges of a person receiving old age and survivors insurance benefits, they called in the actuary experts from the Social Security agency to ask for advice. As could be expected, they recommended a formula which the congressional committee members adopted, that will give little encouragement to recipients to earn any real money to augment their old age benefits.

Recipients over age 72 can earn any amount and not have their social security benefits jeopardized. I am sure that the HEW actuaries who set this age to show generosity toward our elderly people had in mind that most of these people at this age would be dead. Therefore, by taking the ceiling off their earnings, they made a gesture that would sound good to the general public, but actually benefit very few.

Those old age recipients under 72 may earn \$1,200 a year and retain their full monthly benefits. This amount has for years been criticized as picayunish in view of the small average benefits under the social security system. Pressure on Congress was to increase these earning privileges. But instead of coming forward with a clear-cut amount that everyone can understand, here a formula was devised where the individual who could earn more than \$1,200 a year would be allowed to earn \$500 more, making a total of \$1,700, with the understanding that they would lose \$1 in their social security benefit for each \$2 earned of the \$500. In the event it exceeded that amount, then they would lose all their benefits. This offered little inspiration or incentive for the recipient to seek or desire employment of any kind.

According to the Federal Social Security Bulletin I reviewed several months ago, the average old age benefit under social security was \$76.53 a month. Therefore any privilege extended to them to be allowed greater earnings under less restricted circumstances should be meaningful to them to make up for our unrealistic social security system.

When the Senate gave wholehearted endorsement 2 years ago, to Senator Paul Douglas' amendment to allow those on old age assistance to earn up to \$50 a month without deduction from their aid, this amendment went to a joint conference of the Senate and House. The actuaries from Health, Education, and Welfare were called in, and they came up with a formula that an elderly recipient on public assistance could earn \$50—the first \$10 of his earnings would be unquestioned, but one half of the next \$50 would have to be divided. In other words, \$20 of it would come out of his monthly aid payment.

Big deal. Out of California's 264,000 recipients of old age security, otherwise known as old age assistance, only about 800 have taken advantage of this conditional offer to take "off the handcuffs." County welfare workers complain that their time and effort investigating the small earnings of a recipient adds just another item of cost to the already huge administrative cost of this program. Therefore, our own experience here in California points to the merit of Senator Douglas' original amendment allowing these people to earn up to \$50 without jeopardizing their aid.

Senator RANDOLPH. Mr. McLain, at this point I would like to say, the record will disclose, and I do not disparage the leadership of Senator Douglas, that his amendment was amended.

He did offer the amendment to disregard the entire first \$50 originally. It was amended.

Mr. McLAIN. Oh, that is correct, Senator.

You are correct, because he got—I think the Senate, 2 years previously, adopted this \$50 which was knocked out in joint conference and this time I think he went in rather timidly and offered half and, as I understand from your statement, your amendment was to restore. It was the \$50.

Senator RANDOLPH. That is correct. There were several of us who sponsored the amendment to Senator Douglas' amendment. Besides myself, those sponsoring this amendment were Senators Monroney, Kerr, and Aiken.

Mr. McLAIN. If I recall from reading the Congressional Record, at the time there was quite a bit of laughter after Senator Douglas saying he was trying to be conservative.

Senator RANDOLPH. That is true. You do read the Record; that is true.

I only wanted to indicate that there was the effort within the Senate to raise this amount, even beyond that amount which was offered in the amendment as presented by Senator Douglas at the time of the consideration of the subject matter, and I make this observation for the record only. I am not attempting to draw the witness into a dispute, but I think it is important for us to have the record reflect the true facts. There are many of us who believe that there should be no limitation whatsoever on the earnings.

It shouldn't be \$1,200 or \$1,600 or \$1,800 or \$2,000.

Mr. McLAIN. We are now speaking, Senator, of the old-age and survivors benefits; not the public assistance.

Senator RANDOLPH. I realize that, but there are those who believe there should be no limitations on earnings, and they have so stated.

I think it is important here today to indicate that we have to be realistic in the Congress, because there are different viewpoints.

Now, I am not attempting to say that we shouldn't move more quickly, more firmly, but we can so often make a gesture. It is a grandiose plan—I don't mean it in exactly that way. It is merited but it is grandiose beyond fulfillment at that particular time in the Congress, so we have to, if you will, use a compromise level to have legislation become law, but you speak of the need and that is as you should speak. I just wanted to clarify this matter.

Mr. McLAIN. I appreciate, and I am sure the audience here appreciates very much, your amplification, Senator; particularly that I myself, who was back in Washington and watched the amendment, I appreciate very much that you have refreshed my mind.

One of the things that the Members of Congress and the actuaries of the Health, Education, and Welfare Department didn't take into consideration is that, when the average person reaches the age of 62 and over, little things to them become big things, and they are highly sensitive. They like simple, understandable things. They don't wish to account for every penny. They are not bookkeepers. Rather than jeopardize their income, because of a welfare worker breathing down their neck every 15 minutes, they would say to a neighbor—who may have asked them to mow their law for 50 cents or \$1—"To hell with it! I'm on old-age assistance. Whatever I do, the damn Government gets their wet nose in it." [Applause.]

"I'd rather sleep at night. So, I don't work and won't work—until the day I die. Thanks to my Congressman."

Senator RANDOLPH. Well, thanks to some Congressmen.

Mr. McLAIN. In the field of earnings, I wish to make the following recommendations to this committee:

(1) That the age permitting full earnings under the old-age and survivors insurance benefits without deductions from their monthly benefits be lowered from 72 to age 70.

(2) That old-age recipients under 72 be permitted to earn up to \$2,400 a year and retain their full monthly benefits, without any formula restricting such earnings.

Senator RANDOLPH. At that point, Mr. McLain, I know in the 87th Congress I had a bill which would have made the earnings limit \$1,800. I was only attempting to step it up, at least from the point where it is at present, and I think your proposal has much merit.

Mr. McLAIN. Here again, Senator, I agree with you, after many years I have had before the legislature, that you have an objective; it is expected that you are going to have to compromise if you are interested in getting the legislation.

Senator RANDOLPH. That is true.

Mr. McLAIN. I think you really have to walk 2 miles to have someone else walk 1 mile. That is your theory; it is not a bad one.

(3) That recipients of old-age assistance be permitted to earn up to \$50 a month without deductions being made from their monthly aid grants.

I wish to assure this committee that the Nation's elderly, blind, and disabled are delighted with the statements made in December, and then more specifically a few days ago in President Johnson's state of the Union message, where he pledges his efforts to "end poverty in America." From some of the discussions pro and con in the newspapers, it would appear the President desires to curtail expenditures in a number of fields not now vital to the interests of our Nation, and to use the money thus saved to improve the welfare programs to benefit the poor, educate illiterates, and reduce our poverty-stricken areas. This expressed desire upon the part of the President most clearly demonstrates his love for our country and mankind in general. No system can long endure when a small segment make huge profits while the majority suffer.

The chairman of this committee represents a State that is vitally concerned with any plan that will accomplish this noble desire of President Johnson. I wish to share with the Senator of West Virginia my knowledge gained through 24 years of work with the poor and neglected people in every State. As a member of the U.S. Senate, he and his fellow Senators who are members of this committee have heard many plans and many ideas. They, in turn, have made many recommendations to Congress—recommendations which, in themselves, and collectively, would achieve the ending of poverty in America. Some publications have speculated that this could be accomplished by the expenditure of \$1 billion more annually. I sharply disagree. May I point out that, if Congress made a 20 percent increase in the present social security payments, according to our same Health, Education, and Welfare actuaries, it would cost \$3½ billion a year. By putting this additional money into the pockets of over 18.4 million social security recipients, this money would, of course, be spent immediately for the necessities of life. This new purchasing power would definitely give a shot in the arm to the Nation's economy. It would create employment, and return to work several million people. However, it would not end poverty in America.

While I am on the subject of a 20-percent increase across the board for all recipients of social security, I would like to mention that such a bill has been introduced by Congressman Roosevelt of California: H.R. 4328. In the payment of these increases, the Federal Government would be a third sharing participant with the employee and employer.

Old Congress recently increased the minimum payments under the old-age benefits from \$33 to \$40 a month they have not, to the best of my knowledge, granted an increase across the board to all of the recipients under the Social Security Act since 1958. In that year, as I recall, the House Ways and Means Committee made a 7-percent increase. In their report, they apologized because this increase did not meet the cost of living then existing in 1958. A 20-percent increase in old-age and survivors insurance benefits, to hike the present \$40 a month minimum to \$48, and the maximum benefit from \$125 to \$150.40 per month, is long overdue.

To end poverty in America, a brandnew purchasing power must be created. In order to make the purchasing power effective, it must be reflected in every nook and cranny of the Nation. Such funds must be put into immediate circulation, and be assured of continuous repeated circulation.

For 25 years, my time and effort has been exclusively dedicated to the cause of the elderly, the blind, and physically disabled. The problems of these people have been a challenge to me. During this time, I have been personally active with every session of the California State Legislature in formulating bills and having them introduced, working on their passage, until many of them became law. Today, California can boast of the most advanced and humane set of social welfare laws in the Nation. The only restrictions are those imposed by Congress.

Over these years, I have duplicated my efforts to the best of my ability in our National Congress. Progress in this field has been much too slow. After my many years of work in Congress, the wonderful promises made to our senior citizens by candidates for Federal office during the last presidential election was a great lift to me. Millions of elderly people voted men into office on these promises—promises that they believed would solve their problems. Yet many of these elderly have gone to their graves with the promises unfulfilled. Another national election is before us. I'm afraid that millions of our senior citizens will not believe the same promises from the same sources—unless, in the next few months, Congress acts to do something concrete for the Nation's elderly.

The National League of Senior Citizens offers to the Congress of the United States a program that will end poverty in America. To end poverty, bold steps must be taken. Half measures will not do the job. The cost of such a program will be great. But the results are guaranteed to perpetuate our form of society and its institutions as we know them.

We propose that the Federal Government assure a minimum income to every person 62 years of age and over. We further propose that the adult blind and disabled be included—this income to be based upon the minimum wage under the Fair Labor Standards Act, now \$1.25 per hour, or \$216.50 a month for a single person, \$433 to married couples.

We propose that such an act be amended into the noncontributory section of the Social Security Act. This would relieve the States and local communities of their present cost of public assistance in the adult programs, except States participation in the adult medical program. The States will continue their control of the needy children program.

Here is how the program will work: A person will go to their local Social Security office and apply for minimum retirement payments. After their age or disability is established, all that would be required is for the applicant to establish a net income. In the event the net income from all sources is below the minimum wage, it will be augmented by the Government to bring it up to the amount determined by the minimum wage law. There is no means test. The only test is the individual's net income.

Senator RANDOLPH. Mr. McLain, you are saying then, in effect, that the elderly person would not be forced to really take a pauper's oath?

Mr. McLAIN. Yes, sir.

Senator RANDOLPH. Which is not good for any citizen in this country to in effect take a pauper's oath to receive Federal assistance.

Mr. McLAIN. That is correct, Senator.

As I say, in all of these years that I have been with these elderly people I have found that even if they are poor they are proud and, as Americans, they are brought up to be proud and, of course, the pauper's oath, as the Senator and the Senator from Utah are well aware of, is a carryover of the old Elizabethan poor laws that even England itself got rid of in the 1900's, but we, being new in the field of social security, allowed to be imposed these pauper's oaths.

An analysis prepared by the Social Security Administration estimates that 23½ million persons would be eligible for partial or full payment under the plan. The cost is estimated between \$35 and \$40 billion a year. There would, of course, be annual savings of more than \$2 billion a year in the Federal, State, and local governments through the gradual elimination of their adult public assistance programs.

By channeling \$35 billion a year into the pockets of 23½ million needy Americans, a tremendous purchasing power would be generated. This of course will bring with it a great increase in employment. The large sum spent in this manner will considerably boost even further upward the \$620 billion estimated output of goods and services in this country for the year 1964.

The proposed program, I trust, will intrigue this committee with its possibilities to "end poverty in America"; that members of your staff will obtain copies of H.R. 8826 containing these features, introduced by Congressman James Roosevelt at the request of the National League of Senior Citizens.

Thank you for granting me this opportunity to present to you the views resulting from my 25 years of continuous activity in handling the problems facing our Nation's senior citizens.

Senator RANDOLPH. Mr. McLain, in reference to H.R. 8826, I believe you collaborated with Representative James Roosevelt in the drafting of the legislation which he sponsors, or at least has introduced after conferences with you and others, is that correct?

Mr. McLAIN. That is correct, and prior thereto, Senator, we were able to encourage the interest of Congressman Cecil King to introduce a resolution type.

It was so difficult to try to work how such a program could go into effect and it wasn't until 2 years later that over my mind would come these things, like it does; you jot down this and jot down that, and so 2 years later, that is the first of last year, when I was back in Washington, D.C., Congressman Roosevelt was kind enough to put me in contact with the legislative counsel's office and also between himself we worked out what we think here is a very simple program with a tremendous, tremendous effect.

Senator RANDOLPH. How long has this measure been pending?

Mr. McLAIN. This is only a matter of a few months. It was introduced October 14, 1963. Naturally, if and when it is considered by the judgment of the Members of Congress, which a lot of people are not familiar in their conferences back and forth, maybe the original bill is a lot different from the final, but the final action is generally found to be an all-embracing and more practical approach than perhaps the initial effort.

But the thing I wished to bring before you gentlemen was, because the elderly people of this Nation feel that the Senate Special Committee is their committee and by all the demonstrations of all the recom-

mendations made to Congress during the life of the committee, it has fulfilled the trust that the elderly people have that it is their committee and I want you to know, gentlemen, that I wish to, in behalf of the elderly that I represent, say, God bless all of the members of this committee, and especially those who have taken their time and effort and their great duties back in Washington to represent their own State, to come out here to California and to listen to us witnesses. [Applause.]

Senator RANDOLPH. Mr. McLain, your testimony is not only informative, it is constructive and in many instances it is challenging. It will not only intrigue this subcommittee and the Committee on Aging, but I think it will cause us to perhaps be a little more diligent in attempting to find these needed answers.

Senator Moss, I know you will want to comment or question him.

Senator Moss. Well, I just want to concur with you, Mr. McLain, that your discussion of this problem, income for the elderly, is certainly new and challenging. There are concrete proposals that seem to have considerable merit, and I congratulate Mr. McLain for bringing it here and getting it before this committee, because we do take tremendous interest in and spend a lot of time working on ways to improve the lot of elderly citizens and I like also the part of his testimony that calls for simplicity and directness in dealing without all these complicated formulas of whether you lose \$1 if you earn \$2 and things of that sort that are so galling to older people.

I think you ought to have straight-out, simple arrangements, so a person knows immediately what it is, and not have complications of that sort.

I thank you very much, Mr. McLain.

Mr. McLAIN. Thank you, Senator Moss, and thank you, Senator Randolph.

Senator RANDOLPH. Thank you, sir. [Applause.]

Senator RANDOLPH. Mr. Pyott, will you come and give your name to the subcommittee and make your statement? Since we are running short of time to hear all the other witnesses scheduled for this morning, you may want to summarize your prepared statement and submit it for printing in the record. You may proceed in your own way.

STATEMENT OF THOMAS PYOTT, CHIEF, BUREAU OF OLD AGE SECURITY, CALIFORNIA DEPARTMENT OF SOCIAL WELFARE

Mr. PYOTT. I believe it would be more appropriate to give an oral summary of our prepared statement in view of the fact that the ground which the department's statement covers has been substantially covered in part by your statements and by Mr. McLain's statements.

Incidentally, for the record, may I formally identify myself as Thomas Pyott, Chief of the Bureau of Old Age Security, California Department of Social Welfare, presenting testimony on behalf of Mr. John Wedemeyer, the director of the department, who, as I said to the committee yesterday, extends his regrets that he is unable to be present to testify in person.

Briefly then, Mr. Chairman, the department's statement deals in the first instance with the exemption of earnings under the Federal provision and what I would particularly like to call to the committee's attention is the significant historical fact that back some years

prior to 1941 the California plan for old-age assistance provided for a flat exemption of \$15 of income and that was a very substantial amount in relation to the grants in those days.

In 1941, in order to bring the California plan into compliance with the Federal requirements, the legislature repealed that provision, but took the significant step of writing in a standby provision, an open-end, standby provision that provided that when and if Federal laws and regulations permitted it, the California law would permit such exceptions as those laws or regulations did permit.

Therefore, when the amendment to the Social Security Act, providing for the formula which has been identified, was enacted the California law immediately was operative and regulations were put into effect to make that effective in the program.

I would comment briefly that the department is in favor of a flat amount of exemption, rather than a formula; that the department believes that in view of our experience, and the statistical data that we have, that the detail, the administrative involvement of determining net income or applying a formula is probably meaningless.

At least our data shows that the amount of income on the average that an old-age assistance recipient has makes the determination of the net income in many instances not significant unless those facts were to change substantially.

If, for example, \$50 were to be the flat amount, in very few instances would the gross earnings, in our experience, exceed that amount.

You must remember, in the caseload in California, as is generally throughout the country, the earning potential is not high. The average age is approximately 76 years; more than two-thirds of the recipients are women, many of whom have not been wage earners and are not likely to be again.

The second point on which the committee asked the department to comment, and I will try to summarize this, is in relation to the treatment of voluntary contributions. The committee's request to the department specified the treatment of contributions from relatives.

I would like to point out, and the statement on file will show, that the provision in California law deals with voluntary contributions from any source, whether from relatives, friends, corporate bodies, or the county welfare department, the public agencies, and there is the provision that where the ceiling on the grant, the statutory ceiling on the grant, does not meet the budgeted need, that budgeted need determined in accordance with the standard defined by the department, that such voluntary contributions may be applied to make up the deficit.

I would move from that to point out that the high need situations; that is, those situations where the need is likely to exceed our statutory ceiling of \$172, are those situations where there is a need for attendant services in the home in order to enable a person to remain in his own home or those situations where a person requires what we call out-of-home care; that is, care in a facility outside of his home other than a medical facility.

The provision for—to permit the applying of voluntary contributions to meet these high needs has enabled a great many people to meet their need in full. However, the Department wishes to call at-

attention to the fact that this is not fully equitable because not every person has available to him these voluntary contributions.

He either does not have family that is able to make them or anyone else, or may live in a county where, as a matter of local county policy, county funds are not used to supplement the old-age-assistance grant.

The legislature has provided, in the 1963 session, for one of these situations by waiving the \$172 grant ceiling where the need going beyond that ceiling arises from the need for attendant services; that is, some form of personal service in the home that will enable the person to remain in his home, rather than to go elsewhere.

The significance of this, I think, is clear. On the one hand, the State wishes to make it possible for aged persons to remain as independent as possible; to remain in their own homes if that is the most appropriate plan for them, and, on the other hand, is willing to make public funds available in rather a substantial amount up to an amount of \$300 beyond the statutory ceiling if this is the amount of that excess need.

And the final point which I wish to comment on is the use of a variety of services in home services. The committee asked for us to comment on homemaker services particularly. There are other forms of inhome services. A number of county departments have provided homemaker services; I will not go into that in detail, Senator Randolph, in compliance with your suggestion.

I will close, however, in summary by simply concluding that we believe that all of these policies and steps which California has taken indicate a strong public desire to meet the needs of older persons, particularly those older persons whose independence has been threatened or has been limited by handicap, whether social or physical or economic.

Thank you. [Applause.]

Senator RANDOLPH. Thank you, Mr. Pyott. Your prepared statement will be printed at this point in the record.

(The statement referred to is as follows:)

STATEMENT OF THOMAS PYOTT, CHIEF, AID TO NEEDY AGED BUREAU, CALIFORNIA
DEPARTMENT OF SOCIAL WELFARE

Mr. PYOTT. Mr. Chairman, members of the committee, my name is Thomas Pyott. I am Chief of the Old Age Security Bureau of the California Department of Social Welfare. I am presenting testimony on behalf of the director, Mr. John Wedemeyer, who sends his regrets that he is unable to appear in person before your committee. We are grateful for this opportunity to share our experience and information with you.

You have requested statements from the California State Department of Social Welfare on three specific topics. They are (1) the treatment of exempt earnings in old-age assistance in determining the amount of the assistance grant; (2) the treatment of voluntary contributions from relatives in relation to the assistance grant; (3) the use of homemaker services in old-age assistance.

Each of these subjects represent a significant aspect of public policy in California as expressed in the old-age security program. This is the statutory name in California for the old-age assistance program and is the designation which will be used in the material which follows:

EXEMPT EARNINGS

Exemption of some income from consideration in determining the grant is not new, in California. For several years, prior to 1941, there was a provision for exemption of \$15, and that was substantial in relation to the amount of the grant in those early years.

In 1941 the exemption was repealed, in order to comply with Federal provisions, but the California legislature, in 1943, enacted a standby provision relating to the treatment of income in OAS, providing that:

"* * * earnings of an applicant shall not be deemed income or resources of the applicant, and shall not be deducted from the amount of aid to which the applicant would otherwise be entitled.

"This section shall take effect if and when amendments to the Federal statutes or rules and regulations of the Federal Social Security Board take effect permitting this State to give effect to this section without thereby rendering this State ineligible to receive Federal grants-in-aid for old-age assistance in this State." (Welfare and Institution Code, sec. 2020.05.)

From 1943 to January 1, 1963, this section of the California Welfare and Institutions Code was not implemented because the Federal Social Security Act required that all income and resources be taken into consideration in determining OAS grants.

When Public Law 87-543 amended the Social Security Act to permit exemption of the first \$10 and one-half of the additional income up to \$40 of the recipient's net monthly income from earnings, this standby section of the old-age security law became operative. Accordingly, regulations were revised to give effect to it on the effective date of the amendment to the Social Security Act.

The 1963 session of the legislature, in the course of some reorganization of the public assistance laws, repealed the longstanding provision in the OAS law and enacted the following general provision (sec. 443):

"443. In order that recipients of public assistance may become self-supporting and productive members of their communities, it is essential that they be permitted to earn money without a proportionate deduction in their aid grants. It is the intention of the legislature to promote this objective to the extent possible within the limitations imposed by Federal law, and the State social welfare board, in implementing public assistance laws, is directed to do so in the light of this objective.

"In determining the income of a recipient, the following requirements shall be observed: (a) To the extent permitted by Federal law, earned income of a recipient of aid under any public assistance program for which Federal funds are available shall not be considered income or resources of the recipient, and shall not be deducted from the amount of aid to which the recipient would otherwise be entitled."

This change does not modify the statutory base for the exemption policy in OAS but extends the same provision to the other programs.

PROBLEMS AND RECOMMENDATIONS

1. The formula for determining the earned income exemption (the first \$10 plus one-half of the additional income up to \$40) has been difficult to explain both to recipients and to staff and, accordingly, has been subject to some misinterpretation. Relatively few OAS recipients in this State have earnings and, for those who do have earnings, the income is not large. We doubt, therefore, if the percentage formula constitutes any great incentive to the aged person to increase his earnings and, accordingly, we would recommend that the exemption be in a flat amount rather than the percentage formula.

2. A second but less serious problem has been in the computation of net income from earnings in accord with the required Federal formula. This required formula provides for determining the exemption and the amount of nonexempt income as follows:

From gross earnings are deducted nonpersonal work expenses. The exemption is then applied against the amount so determined and from any balance is deducted personal work expenses. The remainder is then considered to be the amount of nonexempt earned income.

Administratively, this method of determining net income is not easy. In some instances it results in a larger amount of income being exempt and, accordingly, we hesitate to suggest a change. However, our former method of deducting all allowable expenses from gross income and then applying the exemption was certainly easier to understand and simpler to explain to recipients.

If the exemption were in a flat amount and were increased to \$30, or more, there would be relatively few cases in which it would be necessary to compute net income, as gross earnings, in most instances, would be less than the allowable exemption.

ESTIMATES AND STATISTICS REGARDING THE EXEMPT INCOME PROVISIONS IN OAS

There is relatively little current information available concerning the actual operation of the exempt income provisions. We do know that, prior to January 1963, when the exemption was first implemented, there were only 0.3 of 1 percent of the OAS recipients who had any income from earnings and their average income from this source was only \$20.25 a month. We do not know whether there has been an increase in the percentage of recipients with earned income since the exemption. Prior to the implementation of the change it was estimated that the cost to the OAS program for the 6-month period, January through June 1963, would be approximately \$301,400. It also was estimated that 60 percent of net earned income would be exempt.

VOLUNTARY CONTRIBUTIONS

You have expressed interest in the provisions in California law permitting contributions from relatives to OAS recipients for meeting certain unmet needs without reduction in grants.

To avoid possible misunderstanding, it should be explained that the statutory provision in question is not limited to contributions from relatives. It was added to the OAS law effective January 1, 1962 and provides that:

“* * * no consideration shall be given to voluntary contributions or grants from other public sources, private agencies, friends or relatives when such contributions or grants meet the following conditions:

“1. The service to be provided is designated by the State social welfare board and is not covered by an assistance allowance under this chapter; and

“2. The contribution or grant would not be available for expenditure by or in behalf of the recipient unless it is used in accordance with the conditions imposed by the donor.”

At the time the aforementioned provision was added to the code, a ceiling of \$166 was established on the combination of grant and income. In other words, income had to be deducted from total need or from \$166, whichever was less. (As a result of changes in Federal participation and cost-of-living changes the normal statutory ceiling on combination of grant and income has now been increased from \$166 a month to \$172 a month.)

Need under the OAS standard for some recipients exceeds \$172 a month. This may be true particularly when (a) the recipient requires attendant services to enable him to remain in his own home, or (b) the recipient requires out-of-home care.

Both of these items of need tend to be high in cost and to result in a budgeted need which the maximum grant does not cover. The statutory provision regarding voluntary contributions has made it possible for some recipients with high need to meet that need in full, but only those fortunate enough to receive the necessary contributions.

We do wish to point out, however, that this device for meeting these needs is not a satisfactory substitute for adequate standards of aid payments. The resources are inequitable in that some persons receive the help and others needing it to the same degree do not, since most needy people do not have these resources. Therefore, we are happy to report that one of these high need situations, that of attendant services, is now met in another way, as the result of 1963 legislation which provides, in effect, that the usual statutory ceiling of \$172 on combination of grant and income is not applicable when the physical or mental condition of the recipient is such that he requires attendant services. In other words, when his need exceeds \$172 because of attendant services, that need can be met from a grant alone or a combination of grant and income. The special statutory provision on voluntary contributions is superseded and is no longer applicable in this type of situation. The subject of attendant services will be discussed more fully in connection with the subject of homemakers and related services.

When the recipient's need exceeds \$172 a month for some reason other than attendant services, such need over and above \$172 may be met from county supplementation and/or from voluntary contributions from persons or organizations having no liability for the support of the recipient. Such contributions are excluded from consideration as income, provided:

(a) The needed items or services which are to be met in this manner are within the established standard for OAS recipients, and

(b) The grant or contribution is available only for the purpose of meeting such needs.

A contribution for which a relative is legally liable is income to the recipient and cannot be applied toward meeting need in excess of the \$172 statutory ceiling except in attendant service cases.

As of September 1963 there were an estimated 3,500 OAS recipients whose needs in excess of \$172 a month were being met, in whole or in part, from voluntary contributions. The average voluntary contribution for these 3,500 recipients was \$43 a month. It also is estimated that approximately 16,500 recipients have need in excess of \$172 a month and are not receiving any voluntary contributions to assist in meeting such need.

HOMEMAKER SERVICES AND RELATED PROGRAMS

Homemaker services

For a number of years California has been encouraging the development of both public and private homemaker services for utilization in meeting the needs of people served by public welfare agencies. At present there are homemaker programs serving aged and/or convalescent and chronically ill adults within the following county welfare departments:

1. Humboldt
2. Los Angeles
3. Marin
4. Sacramento
5. San Luis Obispo
6. Sutter
7. Napa (The homemaker service is provided by the county health department and is financed on a matching basis by SDSW.)

In addition, there are several well organized privately operated homemaker programs which are being utilized by county welfare departments to provide the needed services.

Reports from those counties in the State which have organized homemaker services available and are making real planned use of such services in their assistance programs, substantiate the advantages afforded thereby.

Attendant services

A 1963 California law makes attendant services available to aged and disabled persons (all adult programs) in their own homes. The intent is to insure realistic attendant service plans that are medically and financially sound, as well as socially desirable. Attendant services are domestic or personal care services provided in the recipient's own home. They include the services of practical and licensed vocational nurses and homemakers from private agencies. Cost of this service is included in the recipient's grant, and the usual statutory limitations on the combination of grant and income in OAS (\$172) are not applicable. In such case an additional amount up to \$300 a month may be allowed to enable the recipient to pay for the required attendant services.

This exception to the grant ceiling reflects California's strong purpose of providing those services which can supplement limited or failing capacities and so conserve health and strength for self-care and independent living.

Since this is a relatively new policy, statistical information with respect to it is very limited. The only report available for the OAS program, i.e., October 1963, indicates that 8,395 recipients received allowances for attendant services. Some duplications may exist in this number, if payments were made for prior months. Need for the services was within the statutory maximum in 6,964 cases and exceeded the statutory maximum in 1,431 cases. Allowances were \$50 or less for 381 recipients (\$14,970), \$50.01 to \$150 for 833 recipients (\$81,122) and \$150.01 or more for 217 recipients (\$42,074). The total amount allowed for attendant services was \$138,166.

Home health aide

Under this program, emphasis is placed more upon the physical condition and health requirements of adult recipients. The program has high standards and strict controls set by the SDSW. Vendor payments are made from the public assistance medical care fund to the agencies which meet the standards.

To qualify for employment, a home health aide must hold a certificate of successfully completed training issued by a school under standards of the State department of education.

A home health aide must work under the direction and supervision of an employing agency whose personnel must meet the SDSW's standards. There must

be a full or part-time administrator who shall be a California licensed physician, a social worker with a master's degree in social work from an accredited school or a registered nurse.

Since this program is just being initiated, the Visiting Nurses Association in San Francisco is the only group which has been certified by the SDSW to employ and provide home health aides. However, other applications are pending.

SUMMARY

We believe that, in all of these areas, California has indicated, clearly, the strong public intent to provide adequate, supportive, and constructive programs of service to those aged persons whose independence has been threatened or impaired by physical and social handicaps and economic need. Some are only beginnings, but their intent and direction are clear.

Senator RANDOLPH. Mr. Pyott, your statement and that statement given earlier by Mr. McLain have a point of very significant agreement, one with which I concur; that is, that you feel that there should be a simplicity, rather than a complex system of payment; you believe that the formula is a restraining element here that causes concern among our elderly, and if we could just spell out the amount, regardless of what the amount is, and certainly you believe in the adequate amount, that will not only work to the benefit of those who are given assistance, but also result in simplification of the program; is that true?

Mr. PYOTT. That is correct, Senator Randolph.

Senator RANDOLPH. Thank you very much.

Senator Moss?

Senator Moss. Well, I congratulate Mr. Pyott. Certainly the State of California, and particularly the department having to do with social welfare has done a most enlightened job and I think it is one of the best examples we have of State treatment of this problem.

Much yet needs to be done; it can be improved a great deal, but I feel that federally we'd better catch up. That is what I get out of it.

Thank you, Mr. Pyott.

Senator RANDOLPH. Mr. Pyott, I would ask you to answer these two questions which have been suggested from Mr. Norman of our staff.

How many old age security recipients in the State of California have earnings in any amount? And how many earn up to that \$50 limit?

Mr. PYOTT. If I may read from the statement, because this is the only specific data I have with me, Senator Randolph, we know that prior to January 1963, when the exemption was first implemented, there were only three-tenths of 1 percent of the old age security recipients who had any earnings and their average income from this source was only \$20.25 per month.

Now, the number of recipients as of this last October was somewhat in excess of 264,000.

The projection which the department made for budgetary purposes was that in the year 1963, January through June, the cost of the program, that is to the assistance program, in the diversion of income from computation of grant, would be somewhat less than a third of a million dollars.

Now, when you have in mind that the total amount of the assistance payment in October of this last year was \$28,750,000, including the medical care payment, you see what this relationship is.

Senator RANDOLPH. Thank you, Mr. Pyott. [Applause.]

Senator RANDOLPH. Dr. Bennett, please. If you will come to the witness chair and give your correct name and other information as to the organization, Dr. Bennett, which you represent today.

**STATEMENT OF DR. MARGARET E. BENNETT, FIRST CHAIRMAN
AND CONTINUING MEMBER OF EXECUTIVE COMMITTEE, PASA-
DENA JOBS AFTER 40**

Dr. BENNETT. Yes. My name is Margaret Bennett and I represent a voluntary civic committee in Pasadena which we have named, "Jobs After 40."

Do you have any questions before I go into this report?

Senator RANDOLPH. No. I think if you would proceed in your own way, Dr. Bennett, and then we will have perhaps comments and questions.

Dr. BENNETT. Yes; I think I will just follow a very brief summary here of the project in Pasadena. Probably I can do it more quickly than to—

Senator RANDOLPH. Just comment; we will place this in the record as if read.

Dr. BENNETT. Yes.

The Pasadena Jobs After 40 Committee grew chiefly out of projects carried on by the local branch of the American Association of University Women and the Pasadena Club of International Altrusa. The Pasadena Branch of AAUW made "A Pasadena Survey of Trends in Job Opportunities for the Woman Over 40," published in 1957. That same year a meeting of representatives of all women's organizations in Pasadena was sponsored by the Pasadena Altrusa Club to hear from the Director of the U.S. Women's Bureau about occupational opportunities forums being promoted throughout the country. This meeting led to the formation of a committee, including the manager of the Pasadena office of the State department of employment, and representatives of employers and civic and service groups. This committee decided that the service was needed for both men and women and gave it the name "Jobs After 40."

Three objectives of Jobs After 40 were formulated:

(1) The fostering of community awareness of problems and potentialities of the mature worker and of interest in suitable action programs.

(2) The researching of employers' attitudes toward older workers and the enlisting of employer cooperation in placing 40-plus applicants to make the service realistic.

(3) Assistance through counseling to the mature workers seeking employment to help them fit themselves realistically into the labor market.

The membership of the executive committee has been planned to include representatives of employers, labor, and all pertinent aspects of community life, including the department of employment, chamber of commerce, educational institutions, churches, civic, and service groups. The manager of the Pasadena office of the State department of employment has always been secretary-treasurer of the committee (refusing chairmanship) and has been indispensable in the develop-

ment of the committee program. Among the services from the department of employment have been: Active participation of the manager in the planning and execution of projects; clerical and secretarial help, use of the franking privilege for communications; participation in meetings for employers and prospective applicants for work and in counseling with the latter group, provision of labor-market information and pertinent State, national, and local bulletins from the departments of labor and employment, and the provision of rooms and personnel for group meetings and counseling with work applicants, much of this latter out of office hours.

The committee has operated on a very small budget, rarely over \$50 in any one year, provided through small contributions from individuals and organizations. This has been used chiefly for printing stationary and for a few materials for posters, et cetera. The committee could not have operated as it has without the excellent leadership and service of the local employment office provided to this group cooperating in phases of the placement service. While the committee has provided no placement service, it has channeled possible placements to the department of employment.

The program of the Jobs After 40 Committee has included the following activities since 1959:

1. Study and planning meetings with large groups of employers, and representatives of labor and various civic groups.

2. Chamber of commerce breakfast meetings to interest employers in the potentials of the mature worker.

3. A day-long job forum providing lectures and discussions followed by individual counseling with personnel directors from business and industry, and counselors from the employment service and the schools.

4. Three- and four-week job guidance clinics, held evenings, and including talks by employers and the manager of the employment service, followed by group and individual counseling by personnel directors, and school and employment service counselors. These clinics grew out of awareness of inadequacy of a 1-day program.

5. A 10-week group counseling service for displaced executive and managerial personnel, held evenings at the department of employment with the manager of the department present, but intentionally not participating except in the planning and the provision of rooms and materials.

6. Surveys of employer attitudes toward the employment of plus-40 workers and of types of jobs open to these workers. These have been followed up during the past year by a survey of job opportunities for women conducted by the Altrusa Club of Pasadena which has always been active in the Jobs After 40 Committee.

Evaluation of outcomes of the committee activities to date has not as yet been too intensive and comprehensive since the available time and effort of members have been primarily directed to the exploring of the need for the service and the provision of possible services. The following statements can be made in summary of available data:

1. The response of plus-40 work applicants has indicated a felt need for such services. More than 200 attended the first job forum, 157 enrolled in the two series of job guidance clinics, and 20 attended various sessions of the small-group counseling for a selected group of displaced executive and managerial personnel.

2. A goodly number of those attending the first three types of conferences were placed immediately through conferences with personnel directors or later by the department of employment. Four of the executive group were placed before the end of the sessions in December 1963 and it has not been possible, as yet, to make a follow-up of the others in the group.

3. The employer surveys over the period from 1959 to 1963 have shown a very positive shift in employer attitudes of the mature worker and increased willingness to hire them for suitable work.

Recommendations for action by the Federal Government to assist organizations like ours to provide services to the mature applicants for employment include the following suggestions:

1. Encouragement to all State and local employment departments to furnish leadership in the planning and executing of community services such as has been provided to the Pasadena Jobs After 40 Committee by the Pasadena office of the State employment service, together with clerical and secretarial help, use of the franking privilege, and the provision of rooms and pertinent national, State, and local materials. This is, I believe, available by law or policy to all civic groups cooperating in placement services.

2. Provision for the inclusion in the workload of any local employment office out-of-hours time given to such service groups as Jobs After 40. I do not know whether this is now allowable, but a tremendous amount of personal out-of-hours service has been made available to the Pasadena committee by the manager of the local employment service.

3. Since many of the displaced older workers are in the professional and managerial categories, there should be a placement service for these work applicants locally where justified by number of potential applicants. Many in these categories in the group counseling section in Pasadena complained about the need to go outside the community for the placement service.

4. State and national studies of the placement needs and work adjustment of the older workers, such as those conducted by the U.S. Department of Labor and the U.S. Employment Service should be continued to furnish helpful current data to civic groups; also, the occupational information materials provided by both State and national departments should be continued.

5. The personnel of State and national departments of employment and of labor can be very helpful to local groups if available for meetings with both committees and larger community groups of employers and civic leaders.

6. State and national committees to study the problems of older workers should be continued.

7. State Governor's and Federal President's conferences on the problems of the mature worker will be helpful on a continuing basis, coordinated with similar community conferences.

8. All public employment offices should provide personnel that is specially trained for individual and group counseling with mature applicants for work.

9. There should be encouragement for all Government agencies, business, and industry to provide trained counseling services for all employees who are terminating employment for any reason before they leave or are discharged.

Dr. BENNETT. Now, I would say in commenting in general on this Pasadena service I might quote that old statement, "God helps those who help themselves." I hope the Federal Government will help all of those communities that try to help themselves.

Senator RANDOLPH. Thank you. [Applause.]

We would like to ask you some questions, Doctor.

Then the woman, as is proverbially true, can have the last word.

Doctor, you present a very interesting story of what has been accomplished in the city of Pasadena. I have read your statement very carefully before coming here today and, based on your experience, Doctor, would you tell the subcommittee what types of employment would you say are most available to those persons over 60 years of age?

Dr. BENNETT. Over 60?

Senator RANDOLPH. Yes.

Dr. BENNETT. Well, we have some of this. Perhaps I should refer back to this survey that we have just made of 94 firms in Pasadena that are involved in research and manufacturing, retail and wholesale, food services, health services, banks, insurance, and savings and loan, banks, and so forth.

The age limits for employment went clear up to 67 and in one statement they said "From the minimum age limit of 16 up indefinitely," but, of course, some said that some of the very active jobs that involved running around and so forth should be given to the younger workers, but they also said that many, even of the clerical and secretarial jobs, were carried much more effectively by the mature worker. A few said that the pace in their organization presented a problem but they felt that the mature workers were much more dependable.

Types of jobs available to mature workers included sales work of various kinds, child care, up to middle age; there were many in the professional, managerial, and technician areas, office work, operators and assemblers, where the pace was not too rapid, and many service jobs.

Now, one thing we did in the Pasadena Jobs After Forty Committee was to make a very intensive survey of employers in the community to see what types of jobs were available to the 40-plus workers. We have not attempted to concentrate on the plus 60.

Senator RANDOLPH. What do you find the openings to be, between 40 and 60?

Dr. BENNETT. Almost anything.

Senator RANDOLPH. I see. You think there is not much difference in the over 60 and 40 to 60.

Dr. BENNETT. No; from the 40 to 60, very little difference excepting that for child care they limited it to 50 years of age. I suppose because of the active children, and for recreational workers they even limited it to 35. Beyond that, we have had no limits for those up to 60.

Now, for those over 60, I think those that require less rapid manipulative activities and more thought and human relationships and types of work that could be carried on that didn't require a very rapid pace of work were those that have been emphasized for the plus 60.

But our very recent study which we haven't released yet—

Senator RANDOLPH. You will make that available to our subcommittee at a later date?

Dr. BENNETT. Yes. I just met with our committee last night and we have a report that we are submitting next week to our Altrusa Club. Our detailed report has not been finished, but I will be glad to make that available.

Senator RANDOLPH. Yes, and we will make that a part of the printed record.

Dr. Bennett, your organization is hampered by a lack of operating funds, I presume it is. I never heard of so much work being done with such a small amount of money.

Dr. BENNETT. We have all given volunteer services, and I have simply been amazed at the amount of service also that has come from volunteer workers in business and industry, personnel directors, counseling, and training people in the schools and in the employment service, managers and executives and, of course, our Altrusa Club did all of this recent survey.

They just went out and had interviews in a very busy time this year with all of these firms to find out what their attitude was toward the mature worker, because we didn't want to start a counseling service without knowing what the need was and what the cooperation of employers would be.

Well, all I can say is that it is marvelous, the volunteer cooperation you can get in the community if you get everybody involved. Now, we have not imposed this on the community. We have brought the representatives of all these different agencies in to help us plan and we have put their representatives on the executive committee, and I think that is the only way you can get real cooperation and real leadership in the community.

Senator RANDOLPH. Will you clarify for us? Are you saying that an organization such as yours should work within private funds rather than have any assistance from the State and perhaps the Federal Government in doing your job?

Dr. BENNETT. I think we ought to have both the encouragement and assistance from the Federal Government and assistance directly in a community through the Department of Employment; and volunteer cooperation in the community. I don't know whether I am authorized to say this or not, but I know there is a committee working in Pasadena that is attempting to raise funds to establish a local agency for counseling of all ages and we are very much in hopes that if the funds are raised through this organization which is in every community, a very influential one, they will be able to get a finely trained vocational guidance worker, trained in both individual and group counseling who can work with groups like Jobs After Forty and the Pasadena Altrusa Club and the AAUW to enable us to merely cooperate with the trained worker.

Now, it just happens that I have been in personnel work with group work and individual counseling as my profession for a good many years, and so I have given my time and as much of my leadership as I could to this, but volunteer work cannot suffice. It needs a trained, paid worker and we very much hope that this particular organization will be able to get a local counseling group that will serve all ages, including the mature, for vocational guidance and to which we can turn for the professional help. I think that is very important.

I think both the local volunteer and paid service and governmental encouragement and funds are very important to carry on this service.

Senator RANDOLPH. Your Jobs After Forty in the Pasadena area, I think, brings an illuminating story to the subcommittee.

Dr. BENNETT. We have been very much inspired by it.

Senator RANDOLPH. At this point in the record, I would like to include a column by Robert Peterson which appeared in the Los Angeles Herald-Examiner of yesterday, entitled "Life Begins at Forty," in which there is a story of a certain gentleman who at the age of 72 in retirement found that a very considerable corporation, composed of some 15 or 20 units, was actually going on the rocks; there were no bidders; it looked as if several thousand persons would be unemployed and the corporation would go out of business.

He went in and bought this company, a company that was ready to close up shop, and at 72 he began to do a new job and it is a successful organization today. It is a most helpful story and it says in conclusion:

"It makes you wonder if we couldn't solve America's unemployment dilemma by encouraging retired businessmen with invaluable know-how to go back to work and revitalize our sagging businesses and industries."

This perhaps is a rather dramatic and not too often possible condition, but it does indicate that there are instances in which this sort of thing can happen. The first part of the column indicates that the cost of living continues to rise, and most retirees—isn't it true, Dr. Bennett—are just faced with fixed incomes?

Dr. BENNETT. Yes.

Senator RANDOLPH. And their former employers make no provisions for increases in their pensions to meet this cost of living increase, because they were granted a certain retirement pay at the time they left the job, and then they are caught up in this rising cost and there are some companies that are attempting now to give periodic pension reviews and to grant increases as conditions justify.

I will place this article in the record at this point.

(The article referred to is as follows:)

LIFE BEGINS AT 40—FLEXIBLE PENSION PLAN PROVED TO BE WORKABLE

(By Robert Peterson)

Although the cost of living continues to rise, most retirees are saddled with fixed incomes. Because their former employers make no provision for increases they are doomed to receive as long as they live only as many dollars per month as were granted them at the time of retirement.

A firm setting an example for others is General Electric, which has a policy of reviewing pensions periodically and granting increases as required.

"We've had a pension plan since 1912," said E. Sidney Willis, of G.E.'s employee relations office. "It was originally set up to provide fixed pensions. But then we came to realize that fixed pensions are unfair because they don't permit the retiree to cope with our inflationary spiral.

"So we set up a plan of periodic pension reviews which permits us to grant increases as conditions justify. Our most substantial increase was made in 1961 when pensions for those who had retired prior to September 1946 were raised 30 percent."

* * * * *
You've got to admire folks along in years who, instead of retiring and letting all that experience go down the drain, apply their accumulated wisdom in reviving failing industries.

Take Henry Modell, 73, a lifelong retailer of sporting goods in New York. Last spring he learned that the Davega chain of 18 sporting goods stores was on the rocks. When the stores were offered for sale by court action there were no bids and it appeared the chain would simply fold up and several hundred employees would join the burgeoning ranks of the unemployed.

But septuagenarian Modell, with his half century of rich retailing experience, felt he knew what the Davega stores needed. Everyone told him he was out of his mind, but he decided to buy eight of these failing stores for \$311,000.

Then "Doctor" Modell began ministering to his ailing new patients. He performed major surgery by cutting out shopworn, outdated stock. He modernized and updated the premises. He began weekly clinics for the sales staff. He emphasized politeness and better service to customers. And he began asking for—and acting on—customer suggestions.

Today in slightly less than a year the patient has recovered to such an extent that every one of the eight stores he bought is back in the black and the retailing world is hailing Modell as something of a merchandising genius.

It makes you wonder if we couldn't solve America's unemployment dilemma by encouraging retired businessmen with invaluable know-how to go back to work and revitalize our sagging businesses and industries.

Dr. BENNETT. May I just comment that I think that either paid or volunteer work of a worthwhile sort, suitable for the individual, is so very important for both physical and mental health, longevity, and good, happy adjustment.

So I think it is very important to encourage our people, either in volunteer or paid employment, to keep busy.

Senator RANDOLPH. Thank you, Dr. Bennett, for your excellent contribution to this hearing. I know Senator Moss will have questions or comment.

Senator Moss. Well, I think "inspiring" is the right word for the sort of thing that is being done locally in Pasadena. I commend you most highly, Dr. Bennett, you and your associates, for this effort to counsel and aid people seeking employment, and particularly older people.

Of course, 40 isn't old at all, but it seems to me that so much could be done at the local level, and I am delighted that we have the story of what has been done at a city level here, and how much has been accomplished.

I will look forward to seeing the report, too, when you make it available.

Dr. BENNETT. Thank you.

Senator RANDOLPH. Thank you, Senator Moss.

(The report referred to follows:)

PASADENA ALTRUSA CLUB SURVEY OF JOBS FOR WOMEN, NOVEMBER-DECEMBER 1963

(This survey revealed real interest in and after preference of employers for the mature worker.)

Number and type of firms surveyed: Banks, savings and loans, and insurance companies, 9; food services, 9, plus 3 no interviews; health services, 11; manufacturing establishments, 23, plus 5 no interviews; research and development firms, 6; retail establishments, 10; wholesale establishments, 2; miscellaneous group, chiefly various services unclassifiable in the above groups, 16; subtotal 86; plus 3 no interviews; total, 94.

Question 1. In what occupations do you employ women?

Types of jobs reported¹

	a) Research & Manufac- turing	a) Retail & Whole- sale	a) Food Serv- & b) Health Servs.	a) Banks, b) Insur- & Misc.	Total
1. Professional & Managerial	a) 20 b) 4	a) 5 b) 0	a) 2 b) 42	a) 18 b) 14	45 60
2. Technicians	a) 5 b) 11	a) 0 b) 0	a) 0 b) 12	a) 0 b) 15	5 38
3. Office	a) 13 b) 31	a) 11 b) 12	a) 11 b) 53	a) 77 b) 38	112 134
4. Operators & Assemblers	a) 3 b) 14	a) 0 b) 0	a) 0 b) 0	a) 15 b) 5	18 19
5. Sales	a) 0 b) 1	a) 0 b) 0	a) 0 b) 1	a) 0 b) 3	0 5
6. Service	a) 3 b) 8	a) 19 b) 2	a) 24 b) 23	a) 13 b) 13	59 46
Total	a) 44 b) 69	a) 35 b) 14	a) 37 b) 131	a) 123 b) 88	
Full Total	113	49	169	211	541

¹The figures in this chart represent types of jobs reported, not numbers of women employed.

Question 2. Does your experience show that there are minimum or maximum age limits for any of your types of jobs? If so, which ones?

No age limits were specified in 37 firms, other than those required by the minimum age law. In 11, the limits ranged from 16 to 76 years of age or "up, indefinite." Specifically, maximum age limits were specified as 35 for recreational workers, and under 50 for work in floor and counter jobs.

COMMENTS

Prefer: workers 40 to 50 (2); 40 to 65 (1); 40 and up (1); the mature (2); older workers (2); middle-aged for clerical work (1).

Older workers are more dependable.

Prefer past child-bearing age.

Clerical pace a problem for older workers.

Prefer young workers for active work, running around.

Young are harder to handle.

Depends on individual and qualifications.

Question 3. Can your organization employ women on a part-time basis? If so, for what types of jobs?

Yes, 41; No, 25; seldom or rarely, 9.

These part-time jobs ranged throughout most of the categories in the job chart shown in the answer to question 1. Several reported part-time employment for emergencies, seasonal work, and vacation substitutes. The fewest part-time opportunities were reported in the highly technical jobs.

Question 4. Do you have difficulty in filling certain types of jobs? If so, which ones and why?

Yes, 21; no, 40; occasionally, 2.

The jobs requiring the greatest amount of education, training, and experience were obviously the ones for which the greatest difficulty was experienced in finding suitable applicants. The need was expressed for efficient, interested, and alert applicants and for those with good facility in human relationships.

Question 5. In your opinion, could job counseling by business and professional women be of assistance to applicants for your types of work? If so, for what types of problems?

Yes, 54; no, 28; possibly, 4.

Several who answered "No" to this question explained that counseling would not be especially applicable for their types of work; some indicated that their stringent selective procedures eliminated the need for such counseling.

The types of problems recommended for job counseling included: Self-appraisal of work potentials and planning of adequate training for specific careers and skills.

Methods of applying for jobs, including interview and followup techniques, researching employer needs.

Satisfactory job adjustment: Realism about wages and new conditions and methods when changing jobs; good work habits, professional attitudes toward work, authority and supervision, and coworkers; good interpersonal relationships with workers and the public; planning for continued self-improvement.

Satisfactory adjustment of home problems, such as suitable provision for care of young or ill children.

Question 6. Would you provide an internship for a woman who has recently trained?

Yes, 22; No, 40; occasionally, 2; not applicable, 4.

This question did not seem pertinent for many employment situations, although many had on-the-job training programs and one organization reported an intensive vestibule training plan to provide a pool of suitable workers. Most internships mentioned were for those with specialized training, such as in merchandising, science, research, engineering, et cetera.

Question 7. Does your organization provide any type of brush-up or on-the-job training?

Yes, 37; No, 23.

On-the-job training programs reported included: Orientation for new workers; brush-up courses for specific jobs, and for changes due to automation or new equipment; general recurrent training in many jobs; provision of training manuals; vestibule training programs noted in question 6; subsidized higher education for those with special potentials needed in firms; cooperative work-study programs with local educational institutions; and, charm schools.

OVER-AGE-40 WORKER SURVEY BY PASADENA, CALIF., JOBS AFTER 40 COMMITTEE,
JUNE 1960

Following are the results of a survey conducted in the greater Pasadena area concerning the opinions of major employers on the over-age-40 worker. Questionnaires were sent to 56 companies and 24 replies were received which is a 42.9-percent return. The answering firms employ 12,200 people for an average of 508 employees per company and included heavy and light manufacturing, service, retail, insurance, graphic arts, and industrial sales organizations. The survey was conducted by mail and the answers submitted on an anonymous basis to encourage factual answers.

The purpose of the study was to determine not only the reactions of employers to the over-40 worker, but to obtain suggestions that would help these people who are having difficulty obtaining work. The survey was conducted by the Pasadena Jobs After 40 Committee and our sincere thanks are given to those whose cooperation and assistance made this study possible. The information obtained is highly encouraging and of great value in setting up an educational and counseling program for the over-40 worker who for one reason or another is having difficulty in obtaining employment. We need these people to augment our dwindling work force and to improve the economic health of our community.

In none of the nine factors surveyed was it felt that the over-age-40 worker was generally inferior to his younger counterpart. The majority of the firms indicated him to be definitely superior in attendance, punctuality, dependability, and stability and about the same in the other five categories of productivity, work quality, attitude, skill and time to train. In the training area, however, 44 percent of those responding were of the opinion that the over-40 worker takes longer to train. Thus, though some older workers take longer to train, their other attributes more than compensate and make them a valuable addition to the work force.

Following are the percent of responses in answer to the question, "Comparing the workers age 40 or older to those under 40, I would say that among those over 40"—

Dependability is better, 70.8 percent; same, 29.2; poorer, 0.
Stability is better, 70.8 percent; same, 29.2; poorer, 0.
Attendance is better, 68.0 percent; same, 28.0; poorer, 4.
Punctuality is better, 62.5 percent; same, 37.5; poorer, 0.
Attitude is better, 45.8 percent; same, 41.7; poorer, 12.5.
Skill is better, 37.5 percent; same, 54.2; poorer, 8.3.
Work quality is better, 33.3 percent; same, 66.7; poorer, 0.
Productivity is better, 4.2 percent; same, 87.5; poorer, 8.3.
Time to train is better, 4.0 percent; same, 52.0; poorer, 44.

The reasons for not hiring the job applicant over 40 were checked and following are the percentage answers given to the question, "The chief deterrents to employment of the over-40 job applicants are"—

	Percent		Percent
Cost of benefits.....	24.1	Productivity.....	6.9
Trainability.....	17.2	Appearance.....	5.2
Stamina.....	17.2	Skills.....	5.2
Health.....	15.5	Attendance.....	1.7
Attitude.....	6.9		

Of the responding firms, 45.8 percent added additional comments beneficial to the over-40 job applicant which are summarized below:

"They should forget they are over 40 and do a little selling on what they can do."

"Those over 40 that we have hired compare excellently with those under 40."

"They should accept employment offered, not adhere to past duties."

"They should keep a positive attitude through work, study and aggressiveness."

"They should not be apologetic of their age, but proud of their work history and background."

"Some older applicants expect high rates because of their age alone, yet have no skill or trade."

"They need secondary skills to fall back on if jobs are not open in their specialty."

"There is very little difference where people use their skills acquired earlier, additional skills can be acquired later in life through schools, hobbies, and so forth."

"He should be flexible in attitude and willingness to go on to new things. Have a sense of humor and cheerful outlook."

"We favor the over-40 applicant because of 'job appreciation' in contrast to the late teens to midtwenties group."

Senator RANDOLPH. Mr. Cartwright, will you identify yourself and your organization; and so forth?

STATEMENT OF RICHARD CARTWRIGHT, LOS ANGELES COUNTY FEDERATION OF LABOR, AFL-CIO

Mr. CARTWRIGHT. Yes. I am Richard Cartwright, UAW retirees' representative, here today representing the Los Angeles County Federation of Labor, AFL-CIO, and we represent some 700,000 workers in the Los Angeles area.

Senator Randolph and Senator Moss, in my statement, which, as I say, is brief, I have alluded to S. 1357, which I am sure the Senators are aware of, which is the 1963 Senior Citizens' Community Planning and Facilities Act.

Senator RANDOLPH. Yes.

Mr. CARTWRIGHT. And I have not spelled that out. It was introduced by Senator George A. Smathers, but when I spoke of S. 1357, I was positive you would know what it was.

Senator RANDOLPH. You will recall that Senator George Smathers is the chairman of our Special Committee on Aging.

Mr. CARTWRIGHT. Yes, I am aware of that.

We feel it is extremely good that these hearings on retirement incomes are being held and certainly trust that some constructive legislation will result.

The Federation of Labor, working in conjunction with the California Citizens Advisory Committee on Aging, have reviewed the proposed legislation contained in S. 1357 in detail. We would like to endorse the bill in principle since it is considered to be a broad proposal to stimulate better coordination and development of both State and community programs for older persons in a number of fields.

We feel particularly that the grants for community planning and services, for research and development projects, and training projects for recreational activity centers, and, most of all, for employment opportunities are vital.

Under employment opportunities we would like to suggest some additional things that might be added to the legislation. First of all, we of course are concerned that part-time employment or employment of older citizens should not be used to undercut going wage rates now enjoyed by our union members. We feel further that the social security law must be amended to allow a more realistic income than the existing \$1,200 a year which is the limit one may earn and still draw social security.

With the constantly increasing cost of living and with the very definite limitation placed on income by this \$1,200 added to social security, our senior citizens are rapidly falling behind in sufficient incomes to care for their needs. We do feel that our senior citizens, in most cases, are capable of employment in some field of endeavor, but certainly again caution against allowing employers to use a social security limitation as a "gimmick" to get cheap help to do jobs which under normal circumstances they would have to pay the going rate.

I can cite many instances of retired people being hired as night watchmen, service station attendants, and other light work for \$100 a month. This, of course, is the result of two things: Employer refuses to pay going rate and appeals to the retired person on social security on the basis that this is all they are allowed to earn. Certainly such practices are not good—neither for the economy nor for the individuals involved.

We do find that the majority of the money in S. 1357 is to be granted over quite a long period for studies of the various subjects quoted above. We feel that the provision lifting the amount of income of people on social security is most urgent and should not be forced to wait until all of the studies spelled out in S. 1357 are completed.

I would also like to commend the State of California for the joint study being undertaken by the Citizens Advisory Committee on the Aging and the Department of Employment on the very subjects under discussion here today. We feel that these two departments are doing exceptionally good work for the senior citizens in the State of California.

I wish to thank you for allowing me to testify here today and if there are any questions you may have I will be very pleased to try to answer them.

Senator RANDOLPH. Mr. Cartwright, in this you reenforce the statements made earlier by Mr. McLain and Mr. Pyott.

Mr. CARTWRIGHT. Yes.

Senator RANDOLPH. And I do want the record to show that there appears to be a consensus of opinion on the necessity for this change in the present law.

Mr. CARTWRIGHT. Yes.

Would you have questions that you would want to ask, and I prefer to make a short statement and then get into the matter of questions.

One of the things that you mentioned was automation and its effect on the employment of older citizens, and this is not always the citizen of 65, as you are well aware.

Just as a horrible example, and I understand you are not going into the city of San Diego to take testimony, but one of the horrible examples of automation and its effect on all workers, not only those in the 40, 60, or whatever bracket is the condition that exists in San Diego at the present time, where Convair, which has been the largest employer in the San Diego area, now is down from 26,000 employees to 3,200 employees. Ryan Aircraft, which we represent, UAW represents down there, 3 years ago had 4,200 em-

ployees; it is now down to 1,100 employees, and it is now being considered that there will be another cut of some 300.

We were a little shocked and perhaps disappointed, we don't know what the reason is, but it has been announced that the naval base, the naval facility down there, is to be closed, which will throw another 4,500 people onto the labor market.

I imagine the closing of the naval base is an economic move to limit the number of bases, which they feel are more than sufficient at the present time. However, going into San Diego and seeing the tremendous amount of unemployment among people of all ages is a very horrible thing, and, of course, this complicates extremely the problem of the senior citizen in San Diego.

Now, San Diego, just as here in Los Angeles, has long been a mecca for people in retirement, for people over 65, or people at least who are on retirement. There are a large number of people in the 65-and-up bracket in San Diego, and I am sure that this complicates their problem of even receiving part-time employment, because when you have an unemployment level that is about 3 percent higher than that throughout the Nation, you are going to find that the young guy is going to go in there and work for little or nothing if he has to support his family.

Senator RANDOLPH. Mr. Cartwright, are you saying that in the San Diego area the unemployment rate is now 3 percent above the national average?

Mr. CARTWRIGHT. I understand somewhere between 7.9 and 8 percent, and that unemployment nationally now, I believe, is considered to be about 5 percent.

I think this certainly complicates the program of the older citizen there. I think the same thing—in fact, I know the same thing is happening here to some extent in the Los Angeles area, which again complicates the problem of the senior citizen and getting the senior citizen gainfully employed when automation is eroding our plants and throwing more and more people out of work.

Senator RANDOLPH. Mr. Cartwright, you are in a position to speak with knowledge and authority, and this is a question I don't particularly like to propound, but I think it is important that it be asked.

California is a State of affluency. We have thought of it as a prosperous area of our country. Now, without attempting to speak of the one reason or the many reasons for the loss of jobs, we do know that if there is a drastic cut in workers who are employed within defense installations, within plants that are supplying aircraft and other materials, that we would have a condition in California that would make the problem of the West Virginia coal miner, unemployed a few years ago and still unemployed, pale to insignificance; that is, from the standpoint of numbers involved.

There are counties in West Virginia today where we have 22, 24, or 26 percent of our employables who are unable to find gainful work.

Mr. CARTWRIGHT. Hard-core unemployment, yes, I understand.

Senator RANDOLPH. Yes; now, do you see this happening in California?

Mr. CARTWRIGHT. Well, of course, there are many factors. President Johnson has stated that he is going to make another attempt

at some kind of a disarmament agreement, and so forth, and it is something certainly that I think the Government should consider, I think industry should begin to consider, and that is, What do we do in the event that peace breaks out?

Now, we all would love to see peace, true peace, and when I said "if peace breaks out," I am doing this a little bit facetiously, but on the other hand, it could be extremely drastic here in California, and I think that the Government, in conjunction with management of these plants that are producing nothing but defense materials, specifically I think of North American Aviation, where they have absolutely no contracts of any kind that are not defense-related.

It is now the second largest employer in the United States.

Senator RANDOLPH. How many employees?

Mr. CARTWRIGHT. A hundred thousand employees.

Senator RANDOLPH. All California employment?

Mr. CARTWRIGHT. No, no; this is throughout the United States.

Senator RANDOLPH. How many in California, approximately?

Mr. CARTWRIGHT. I would say that probably 80 percent of the 100,000 are in California.

The others are in Missouri, Ohio, and North Carolina, and now a new plant is opening in Nevada.

Senator RANDOLPH. You now are saying that 80,000 persons could become unemployed; is that correct, in this one company?

Mr. CARTWRIGHT. That is correct, because all of their contracts are defense-oriented.

Senator RANDOLPH. Yes.

Mr. CARTWRIGHT. And so it seems to me that what must be done is a study of alternatives as to how you use this work force; how you turn to a peacetime economy, and how you make these factories, which certainly are equipped with the very finest and latest of equipment and are being constantly equipped with more electronic devices, and so forth, which certainly could produce some of the many things and meet some of the many unmet needs of the citizens of this country, as well as the world at large.

Senator RANDOLPH. Mr. Cartwright, I don't want to be negative, but I see the possibility of California, if the situations develop that you have indicated, becoming the State with the highest rate of unemployment, rather than perhaps one of the highest rates of employment; is this true?

Mr. CARTWRIGHT. In my opinion, this could very well be true and particularly of southern California, where the concentration of defense industry is.

I could see southern California becoming a horribly depressed area if this were to occur and were to occur rapidly, before they had the opportunity to switch over to building things that could be used, other than defense materials.

As far as the senior worker is concerned, we certainly are concerned here, and when we say "senior worker," in our plants, in many of our plants, when a man has reached 45, he has become a senior worker, which may surprise some of you 65 and over, but it is still very difficult on layoffs in some industries, particularly those which are not covered by union agreements, when a man is laid off because of lack of work and then it comes time for recall; it is

found that many times people 45 years of age, 50 years of age, are not recalled to jobs.

In plants where we have contracts and agreements with seniority clauses, this does not take place. The company is first to find a job, perhaps, as the man ages he may have to shift into a job where there is less strenuous work; where the pace is a bit slower, but we do have seniority provisions.

There are a great number of nonorganized people in the State of California and in southern California, who do not have this type of protection, and we appeared before a State committee on this very problem just a few weeks ago to bring to their attention the fact that many employers now look upon a worker of 45 years of age as nonemployable.

I mean, they just don't want him back, and I am not trying to contest the study that was done in Pasadena.

I think the lady's study there was concerned with professionals, clerks, and people of this type, but not the average factory worker.

Which again points up that much of the testimony yesterday on housing, and I didn't get an opportunity to testify on housing, I think that the majority of the projects that were recommended then to Senator Moss were projects which the average citizen in this room right today could not afford to live in.

Leisure World, for instance, I understand from talking to a man who was here yesterday, that Leisure World, which started out with a low base of \$94 a month—if you are on social security and social security alone, you are not going to be able to pay \$94 a month for rent; he tells me there is a \$9.50 raise going in Leisure World that is being necessitated by various things; that services which were free, such as drugs, they are now having to pay 20 percent on their drugs, rather than get them free.

Medical care, which was granted as being lifetime and without cost, they are having to pay the first 20 percent of this.

These projects, which are being developed under the FHA and so forth, in many, many cases, they are developed and then these raises take place, which displace these people who can't afford to live in them, but I know that the majority of all workers on pensions, perhaps supplemented with a small pension from the company, and they are better off than the person just on straight social security, could not afford this rate range of \$94 to \$150, such as Leisure World now charges, and with a \$9.50 increase coming along.

So I think the problem of part-time employment to these people, without regard for the amount of income, I don't think they should be restricted. I think any person who can get a job and who can force the employer to pay the going rate, should not be restricted by \$1,200, plus \$500, or actually by any amount.

If he has the ability to go to work and willingness to go to work, I think his income should be as unlimited as is possible to make it—

Senator Moss. But I do think there is a tendency for those who are drawing social security benefits to accept the lower wage.

Mr. CARTWRIGHT. Well, I know of many instances, Senator Moss, where this is true. There was a little plant that we were organizing here a while back, and they had a man who was 72 years of age. He was a night watchman, 10 hours a night and 6 days a week, and he

was drawing \$100 a month, and the employer had convinced him that this was the limit that he could make, and therefore he was doing this for \$100 a month.

Ten hours a day, figure it out yourself what the average rate is there.

Senator Moss. If he were not pressed by this limitation, then, of outside income—

Mr. CARTWRIGHT. In the first place, if he were not pressed by that the employer could never have persuaded him that he ought to go to work for \$100 a month. He would be able to command whatever he would get, and I think there are many instances of this that we could document for you, of instances where senior citizens are taking work, minding the store, doing this and that, at considerably reduced wages because they are fearful of losing their social security if it is found out that they are making over and above this amount.

Senator Moss. I think you pointed out the need for long-range planning and looking ahead to shifts that come in the procurement of various items, defense items, which we are talking of primarily, but there should be some planning and direction so as one need phases out, certainly we can use the skills and the know-how and the plant and everything in another area.

Mr. CARTWRIGHT. Well, this is right.

Walter Reuther, who happens to be the president of my union, says, "If we can have a full economy and full production making the products of war, there is no reason in the world why this Nation can't have a full economy and a full production making the products of peace."

[Applause.]

Senator RANDOLPH. I would want to say that Walter Reuther, having been born in West Virginia—[Applause]—

Mr. CARTWRIGHT. And his father before him.

Senator RANDOLPH. Yes, his father and his mother live in Wheeling; I talked with them just in recent weeks and we had, Mr. Cartwright, a Walter Reuther Day in Wheeling and it was a tremendous acclaim for the, I think, brilliant leader of union labor, and more than that, I think he is a very astute person in the full realm of economic subject matter.

Thank you, Mr. Cartwright.

Mr. CARTWRIGHT. Thank you, gentlemen, very much for the time, and I hope that our discussion here, has given you something that you may work on.

I think the most important thing, though, the long-range planning and everything else, but I think the important thing is to get the social security amendment or amended to lift this senseless \$1,200 plus \$500 income.

Thank you very much.

[Applause.]

[Witness withdraws.]

Senator RANDOLPH. I like the warmth of this hearing. It feels good.

Mr. Bluestone?

[No response.]

Senator RANDOLPH. We will pass over Mr. Bluestone for the moment, and perhaps come back to him later.

Mr. Kunze, will you give your correct name, position, and other pertinent information before giving your statement?

STATEMENT OF KARL KUNZE, PERSONNEL MANAGER, LOCKHEED-CALIFORNIA CO., BURBANK, CALIF.

Mr. KUNZE. Yes, sir.

I am Karl Kunze; I am manager of the personnel general department of the Lockheed-California Co.

I appreciate very much being invited to make a statement. In my opinion, your Committee on Aging is concerned with one of the most important aspects of the manpower problem, and I have been very much interested in the subject of the employment of the older worker for many, many years.

As far back as our records indicate, the Lockheed Co. has had a policy of hiring older workers. In 1941 this policy which had long been practiced appeared in the company-union contract (Lodge 727, IAM) in the statement: "The company agrees that there shall be no established maximum age limit in the hiring of employees."

During the years, we have accumulated much evidence suggesting that chronological age is a deceptive, misleading, and unreliable indicator of employability. We can point to cases of enthusiastic, motivated, capable older employees. We see some young people "running out of steam," and some of their older counterparts with plenty of reserve energy. We do not discount the fact that older people have health problems and a heightened susceptibility to illness. On the other hand, we have observed compensations as an outgrowth of the aging process, such as a high dependability and good work habits. In a research study we found an increase in personal morale and attitudinal level from the late thirties through the early sixties.

We believe it is unfortunate that there is so much emphasis on chronological age in the hiring process. This emphasis continues in spite of a realization that the passage of time affects people differently. At this point I must be quick to point out that in our company the average age of incumbents differs markedly from one occupation to another.

The average age of our apprentices is 21. We hire apprentices right from school; and it takes 4 years for them to become journeymen, after which time they have many years in which to practice their trade and to serve American industry.

We have people in electro-date-programing work—working with electronic computers. Their average age is 27. This is a relatively new field requiring recently developed and specialized competence. Only those who entered the work force within the last 10 years are apt to have the requisite ability for these jobs.

The median age of our toolmakers is about 47. A toolmaker is the product of years of training and experience, and the job requires a wide range of mechanical skills and job knowledge. We regularly hire toolmakers in their sixties.

The average age of guards is 53. Here we look for stability, mature judgment, and a mien of responsibility.

Since our retirement income plan went into effect, we have had four retirement counselors. Their average age has been approximately 68. A most important requisite to this job is first-hand knowledge of the problems of leaving work and entering retirement. Most of our counselors had the experience of retiring before becoming counselors.

The question is sometimes asked: What does industry do when an employee, for one reason or another, reaches an age where he can no longer carry the full load of his assigned occupation? We don't have all the answers to this question and we know that this is a problem of increasing concern to industry. However, we feel that inflexibility is not a unique characteristic of the older person, and that there are flexible and inflexible people throughout the entire age range. We have found the transfer of older people to different lines of work often can be accomplished quite successfully. For example, we have an occupation at the Lockheed-California Co. called "wire fabricator" which requires only modest amounts of skill and physical effort. Incumbents in this occupation have a median age of 53 years; 45 of the 62 incumbents were transferred into this occupation at one time or another from some other more demanding job. The average age at the time of such transfer was 49 years. Through transfer policies like this we are able to minimize internal age placement problems.

The examples I have given indicate that there are age differences by occupation at our company. In my opinion, if effective selection criteria are used by a firm, some occupations will be populated by older, and others by younger, employees. This is, as I see it, as it should be. The entrance of younger people in some occupations will make possible the employment of older workers in occupations for which they are eminently suited—with both actions bringing about a much desired balance in the total work force.

Some employers are reluctant to hire older workers because they consider them high-cost employees. Most employee costs are determinable, and if a company avoids hiring of older people for reasons of cost, I would suggest that it conduct a study of the relationship of employee age to cost. It may be found that cost differentials based on age are not really significant, or are compensated for by other factors. Some cost items that might be considered are: State unemployment insurance, State disability insurance, workmen's compensation, and group insurance, and retirement benefits.

While younger people tend to be laid off more frequently than older ones—because they have less seniority—the latter tend to be unemployed for a somewhat longer period of time. In California the cost of unemployment insurance is paid from funds accumulated as the result of taxes paid by the employer, and the rate of this tax is determined ultimately by the experience rating of the company.

Concerning State disability insurance and workmen's compensation, I believe it is industry's experience that older workers are more careful on the job and take better care of themselves off the job than others. Although the frequency of accidents and illnesses of older workers may be less than or the same as that of their younger

counterparts, the recuperative period of older people is longer. In retirement and group insurance plans, costs do increase with an increase in the average age of employees.

I believe this is a good time to point out that an employer who uses the full range in hiring can hire older workers without affecting significantly the average age of his work force. Every company needs the vigor, drive, and enthusiasm of the young recruit for its apprenticeship and other trainee posts. These young men and women will in time form the backbone of an organization. Furthermore, the hiring of young people makes possible—or to be emphatic, makes necessary—the hiring of those with maturity with their correlative attributes of experience, application, and stability.

One cause of a reluctance to hire older people, in my opinion, can be traced to the level of competence of an organization's employment staff. An inexperienced interviewer, particularly one not sure of himself, might well reject the older applicant and wait for the person who represents his image of the successful employee. The capable interviewer with optimum confidence in his own judgment is more apt to give the nod to the older worker. In response to the committee's question about what the Government can do to stimulate the hiring of older workers, I would suggest that specialized, technical information to interviewers in government, business and industry would be helpful.

Further, some companies do not hire older workers because the average age of their work force is already high and is continuing to increase. Such a condition can be serious because of a rising death rate in the company coupled with an absence of qualified younger replacements. Powerful forces operate on an enterprise to make such a thing happen. For instance, seniority provisions, promotion from within, company pension plans, and longevity pay all tend to cause a very high proportion of its work force to grow old together. One countermeasure that can be used is a form of manpower planning. An organization can conduct age studies by occupation, hire young people into occupations badly out of age balance, and then follow a policy of utilizing the full age range in the hiring of new workers into all other occupations.

I assume that some companies might hesitate to hire older workers because of the impression—and I would say, the correct impression—that the number of jobs an older person can be considered for reduces with an increase in age. Jobs requiring heavy or fast work become eliminated as possibilities because of the gradual slowing down and weakening of the psychological processes which accompany aging. Further, there are certain entry or beginning jobs that older people can perform but that lead to other jobs these people may be unable to perform. An example in my industry is the storekeeper and stock clerk occupations which can be performed by older people. These occupations lead to the dispatcher and expeditor occupations which require a physical agility and a work pace that would usually preclude the use of older people.

The necessity for careful, well-considered job placement is not limited to the older worker. Many kinds of jobs are inappropriate to many kinds of people. However, to place older workers successfully, we need a combination of farsighted management and capable

employment people with imagination and ingenuity. Work generally is becoming easier to perform from a physical standpoint. Many jobs that required high physical output a few decades ago now carry new demands: careful attention, adherence to specific instructions, et cetera. Jobs are changing constantly, and we cannot assume that an older person must be excluded from one today simply because this was the case 10 years ago.

I am a member of the Guidance and Selection Advisory Panel for the Office of Manpower and Training, Department of Labor, and consequently am familiar with the MDTA experimental and demonstration programs designed to help older workers get counseling and training, and to help bring about employment opportunities for them.

I know of the Presidential memorandum on utilizing older workers in the Federal service, and of the funds available in 1964 to the Employment Services in the Department of Labor for counseling and placement services of the older worker.

These are all good measures that should be continued. Counseling opportunities for older workers have been almost nonexistent and are most necessary. Because of the rapidity with which occupational changes are taking place, counseling should be available to people before they find themselves without a job.

Related to this, there is a need for a more accurate and more comprehensive determination of occupational trends, and a reporting to counselors of such trends while these changes are taking place.

There have been some studies concerning the characteristics of older people who became unemployed and who subsequently found work. In one instance with which I am familiar, those successful in relocating were compared with a group of people who were unsuccessful in similar efforts.

In one study by Walter Franke of the University of Illinois, there is evidence that age may be inextricably tied in with other factors. In his study of a sample of older workers in Peoria, Ill., those who became unemployed and subsequently found work attributed their success to special skills or experience, diligent job search, a willingness to take any reasonable job, help from friends, a call back to former work, and a few miscellaneous reasons. For the most part, those who stayed unemployed tended to have low education, a history of short-term employment, a pessimism about finding work, a health problem, or obsolete skills.

These findings suggest that industry, business, and Government in their hiring must think in terms of the whole person rather than the old person (or the young or middle-aged person for that matter). Many attributes other than age must be taken into account in selection, and each person's strengths should be utilized maximally and his deficiencies corrected through training or neutralized through intelligent job placement.

The studies of worker attributes have been worth while. I have seen no comprehensive studies of occupations held by older people, trends in the job placement of the older person. Further, it would be very helpful to know what jobs were formerly held and later held by older people who became successfully relocated. A study of the common elements of old and new jobs might be very

helpful to counselors and educators in their efforts to advise older people in their search for reemployment.

What has been presented here today can be summarized as follows:

1. Chronological age is an unreliable criterion in employment. In industry we find the presence of inversions, in which an older person has more mental and physical capability than a younger counterpart. Other reasons have been given to justify this contention.

2. The statement above does not mean that age plays no role in the selection process. Although age concomitants (such as physical condition and state of health) are important, chronological age is of little or no value in determining someone's employability. As I have shown by example, chronological age may be used as one of several indications in the selection of an appropriate occupation for an applicant.

3. Inflexibility or any other personal characteristic is not possessed uniquely or exclusively by any particular age group. Most worker characteristics can be found in people of all ages.

4. Absence of information on the cost of employing older workers, substandard abilities of employment people, and a condition of high average work force age, are all deterring elements to the hiring of older people. Counteracting measures are to conduct cost studies, train interviewers, and to perform manpower planning.

5. The hiring and training of young people is recommended as a means for making possible the employing of older workers.

6. The Federal Government should continue its present efforts. Occupational studies would be helpful. An occupational study of older workers who have made successful transitions to new jobs would be beneficial. The study should reveal the new and old jobs held, and should indicate existing common elements.

Thank you. If you have any questions.

[Applause.]

Senator RANDOLPH. Mr. Kunze, how many employees are in Lockheed Aircraft in California?

Mr. KUNZE. We have at the present time 22,000 in the Lockheed-California Co.

Senator RANDOLPH. How does that compare with 5 years ago, if you are able to break it down?

Mr. KUNZE. We had approximately 20,000 at that time.

Senator RANDOLPH. Is that a low level for you now or has it fluctuated over the years?

Mr. KUNZE. The level has been stable for the last 2 years, and we expect it to continue to be so.

Senator RANDOLPH. Mr. Kunze, what percentage of contracts which you hold would be defense?

Mr. KUNZE. Approximately 75 percent of our work is of a military nature.

Senator RANDOLPH. You have qualms, then, at times, do you not?

Mr. KUNZE. Oh, yes, we certainly do, and, of course, we are engaging in research and development work to bring about a better diversification in our products.

Senator RANDOLPH. This is very important, isn't it, and some companies, perhaps, have rather closed their corporate eyes, as it were, to this need for a transition from, let's say, crisis to peacetime production; is this true?

Mr. KUNZE. I think that some have, certainly. But I know that you realize that the research and development work in California is very great.

Senator RANDOLPH. Yes.

Mr. KUNZE. And much of the research is of a basic nature that can be applied both to military and nonmilitary work, so many of our industries are either at the present time developing products that can be used commercially, or will be doing this in the very near future.

Senator RANDOLPH. Mr. Kunze, would you give your opinion as a personnel director of the impact of automation in your own company? Has it been slight; has it been rather substantial?

Mr. KUNZE. The impact in the aerospace industry has been slight. One reason is that we are dealing with such a complicated product as an airplane or a spaceship that it is impossible really to produce this like you produce toys or refrigerators or other products that can be highly automated.

There has been an automation, you might say, of office functions through the use of computers of one sort or another and the use of duplicating machines, but in the factory the technological development that one could call automation is really quite insignificant.

Senator RANDOLPH. Mr. Kunze, I believe that your testimony bears out that in Lockheed you have the feeling that older workers, in your structure of employment, can, through their stability and their loyalty, perhaps engender a better workmanship within the younger group; is this true?

Mr. KUNZE. We feel that this is the case; yes. We feel that they have generally a salutary effect on the younger people.

Senator RANDOLPH. Senator Moss?

Senator MOSS. You mentioned these retirement counselors, usually people that have been retired and then were employed as retirement counselors.

Just what is the function of the retirement counselors?

Mr. KUNZE. A retirement counselor advises older employees on aspects of making a transition from employment to nonemployment living.

He discusses both financial and nonfinancial aspects.

He is not only concerned with financial aspects of retirement, but also the psychological adjustment that these people need and the social adjustment that is necessary in making this change from a work to a nonwork living.

Senator MOSS. Well, does he counsel on changing assignments within the structure; that is, leaving one kind of work and going over into another kind of work?

Mr. KUNZE. No; he does not perform that function.

Senator MOSS. He doesn't do that?

Mr. KUNZE. The retirement counselor counsels only on retirement aspects.

We have 12 or 15 personnel representatives who are located in areas close to the workers; these men counsel employees of all ages, actually helping them to prepare in advance for changes that are going to take place.

We have found from experience that if an employee or if a company, for that matter, waits until some kind of change has to be made, so that workers are shifted from one group to another, then it is not only costly to the company, but it is very difficult and sometimes impossible for the employee to make such an adjustment.

For that reason we attempt to plan in advance moves that will require significant drops in numbers of people or significant shifts in people from one kind of work to another.

Senator Moss. Are these counselors usually drawn from personnel or office-type employees, or do you get them also in all other former types of employment?

Mr. KUNZE. Well, I would say that most of these counselors have had industrial experience of one sort or another. Many of them are from the shops, some from office areas, and they have been trained in counseling.

Now, we have a few who have, you might say, used the reverse process, who have been educated in colleges and have specialized in the counseling field and have become familiar with work environments. We have both kinds, actually.

Senator Moss. In listening to your testimony, I understand that you feel it is a mistake for a company to hire only younger people all the time, because the company would tend to have an imbalance, as it were, of workers, if the only ones coming in all the time were the young ones; is that correct?

Mr. KUNZE. I think it is a mistake if a company hires a disproportionate number of workers in any age range. If they hire too many young workers, for example—

Senator Moss. Or too many old ones?

Mr. KUNZE. Yes, or too many of the old-middle-age category, because if you do, you will find that in 20 years all of these people are ready for retirement.

So my opinion is really the most satisfactory and the most effective policy is to use the entire age range from about 16 or up and forget age categories.

Senator RANDOLPH. Think of the whole person?

Mr. KUNZE. Think of the whole person; think of that individual and his abilities, his experience, his past record, his aspiration level, and all of the factors that are important, and let the medical department determine whether or not this person is physically fit. If he is handicapped, then your medical department can help him be placed in an occupation that is less strenuous and can be performed by such person.

Senator Moss. Thank you, Mr. Kunze. Your testimony has been interesting and very helpful.

Senator RANDOLPH. Mr. Kunze, I want to compliment you for the manner in which you have presented factual information on which the committee can draw in a study and possible recommendations to meet this problem, and I am not the person to give counsel or advice, but I would say that I hope that you, an enlightened company with such a policy as you indicated by your statement, would insofar as possible in the California area, attempt to sell—to use this word, perhaps it is a trite one—attempt to sell this to other companies, be-

cause I frankly see in California a time of possible distress if companies that are oriented to the production of defense materials cannot adjust and readjust themselves to a more, let's say, peaceful economic situation.

Mr. KUNZE. Thank you, Senator Randolph. We will make every effort to pass the word on.

Senator RANDOLPH. Thank you, sir. [Applause.]

Senator RANDOLPH. Did Mr. Bluestone return or has he just not appeared as a witness?

[No response.]

Senator RANDOLPH. Mr. Sensor, if you will identify yourself and your organization.

STATEMENT OF RICHARD SENSOR, PRESIDENT, HIRE OLDER PEOPLE ENTERPRISES, RIVERSIDE, CALIF.

Mr. SENSOR. I am Richard Sensor, president and owner of Hire Older People Enterprises, in Riverside.

Senator RANDOLPH. You proceed as you care to, informally.

Mr. SENSOR. I did not have time to prepare a statement after Mr. Norman called me last week.

However, I would like to just explain a little bit. First, how I got the organization started, and then what we are attempting to do.

In professional standing, I am a management consultant in the Riverside-San Bernardino area; during my 6 years in the management profession as a consultant, I have had many workers in the upper age brackets, 60 or over primarily, knock on my door and seek employment.

Becoming quite concerned about the large number of these and the inability to place them, either on my own or by referring them out to other places, I gave a lot of thought as to how these people might be utilized, and the idea occurred to me that perhaps an organization could be started which would utilize the talents and abilities and energies of these people over 60.

So in March of this year I set out on my own to do just that, and I have taken on a building of 3,000 square feet and started into employing the older worker, over 60.

We are at the present manufacturing some camera accessories for the photographic—professional photographers.

We are developing a line of jewelry, which we hope we can get into that will utilize senior citizens, and we are selling through the mail order, you might say, unassembled picture frames. Our first ad on this appeared in the American Artist magazine this month and the magazine reached Riverside on Tuesday of this week, and we had replies to the ad which we sent out brochures in answer to last week. So we feel that there might be a good response on this.

Now, our thought is that we will try to give employment to the older worker, those over 60, and I would like to say this, that I have interviewed probably in the neighborhood of 400 or 500 since opening the doors on the 1st of March, and many of these older workers are interested in employment but they are not interested in full-time employment, where they would have to punch a time clock, 5 days a week, or four and a third weeks in the month, and a whole year.

They would like to feel that they are retired but yet could be active mentally and physically in some sort of activity which would help them not only financially but also to utilize some of the idle time which they had.

As one individual put it to me, "I am a member of the Elks' Club. I go there periodically and play gin rummy, but there's a limit to how much time you can spend with the same old cronies day after day playing gin rummy."

I have in the files information sheets on practically every occupation, I would say, that there is—retired bankers down—and these people have boundless energy and boundless abilities.

Being an old occupational analyst from the Division of Occupational Analysis, the first job I had in Washington was preparing job analyses, so I feel that there are many, many abilities in workers that are untapped.

I recognized the difficulty in trying to relate some of these after a person has spent 30 to 40 years in an occupation, to relate them to something else, but it is possible, and I feel that a great deal can be done by our employers in looking into the utilization of this older worker group, perhaps not on a full-time basis but on a part-time basis, working out a schedule where they can come in periodically to assist in certain functions within that company.

I also recognized that there are certain limitations on the older worker. They are not quite as fast in many cases, and I think we have to look at this as an individual case. Though some of them have slowed down physically, but yet mentally they feel that they are just as fast as the younger worker; tests would prove they are not.

Some of them—I think the energy that they have and the desire to do, somewhat compensates for their slowness.

In one instance we have had an electrician in to assist us. He is 71 and he would work rings around the average electrician. So there are abilities here. I think there are opportunities in business and industry where they can be utilized, and there are certainly avenues that must be opened in order to utilize these people in our business and industry.

Now, I would like to say that there are certain limitations also in our Government, State, and perhaps Federal, that might be checked a little bit.

One of my hopes had been that I could give some of these workers who have developed some rather complete machine shops or woodshops in their own homes and developed their hobby, that I could give them work at home. However, in order to do this, I find that I, as an employer, must take out a license, a \$50 license a year; I must keep an accurate record on what I give these people to do; they must also apply and get a permit to do homework; they must keep very accurate records on what they do and how much time they spend on it.

My books as well as the individual's books are audited every month, and there is a clause in the law which states if the pickup and delivery of material constitutes a hardship, then the time for pickup and delivery shall also be included as time worked.

So this, as far as I am concerned, has ruled out any homework on the part of any person.

But the thing I look at is, there are so many of these people and they are becoming more numerous, money is one factor, they are interested in supplementing their social security or their retirement, if possible, but more than that, they are interested in keeping alive both mentally and physically, by having something to do, and I think this is a conflict that might arise, in that we are trying to maintain a certain hourly rate, or we will say a dollar income for the individual on one hand against the keeping them alive mentally and physically on the other.

How we can bring the two a little closer together, I think I have no solution, but it is a problem that we should look at.

I believe that is about all I have as a general statement, but I will answer any questions that you may have.

Senator RANDOLPH. Mr. Sensor, how many persons are you employing in your enterprise at present?

Mr. SENSOR. I have three full time and about four part time. I have had as high as nine.

Senator RANDOLPH. Do you see an opportunity in communities all across California for 5, 6, 10, 12 persons to be employed if there is enough resourcefulness, creativeness, and if there is a desire, as you have, to do this type of program?

Do you think it is possible, or is it just one isolated to Riverside?

Mr. SENSOR. No, I don't feel it's isolated to Riverside.

I feel every community has the same problem, perhaps to a more or lesser degree. The problem is still there; if you have an older worker and those over 60, and I dare say that they—when they are unemployed due to a layoff or due to retirement, they then have problems in finding employment, and this is also true of those of the upper-level brackets in skills and abilities.

Senator RANDOLPH. This is a hypothetical assumption, but let's say that in the State of California there are 500 communities, or cities, or areas that could do what you are doing in Riverside.

Let's set that figure of employees or workers at 10 in each one of these communities. That would be the employment—if my figuring is correct—of 5,000 older workers in a State like California.

Now, someone might say, "Well, this is just an illusion." But, Mr. Sensor, you believe that it is possible, based on your own experience; is this correct?

Mr. SENSOR. I do very much so.

Senator RANDOLPH. Well, now, is there an area, then, in which the Federal Government—not, let's say, with dollars but by some program of encouragement—could the Federal Government come in and help employers such as you to give this gainful work to our elderly? Do you have any suggestion or recommendation?

Mr. SENSOR. May I preface that just a bit, Senator Randolph?

In April of this year—of last year, now—there was this article that appeared in the Riverside Press, concerning the company that I started: "New Industry Organizes To Hire People Over 60," and the heading, the top heading, was "Stiff Requirements."

Today, yet, I still have people coming in with this article from last April, making application or wanting to fill out the information sheet.

Another service that I render, which I charge no one for, is referring the older worker to employers, or prospective employes, for certain activity. They call up and ask, "Do you possibly have someone that could do this, that, or the other thing?"

A lady called up just yesterday, and asked if I possibly had anyone in my files that I could recommend to take her husband to the hospital perhaps twice or three times a week. She was working, and it was a difficult thing for her to get off to take him, not knowing how long he would have to be there.

So, I referred several to her for this purpose; so, this is a service. Now, this, I feel, could be handled by the Department of Labor through the employment service. So, perhaps, here is the avenue that Senator Randolph asks about for help is through the Department of Labor.

I find a reluctance on the part of the older worker to go to the employment office to register, the reason being that they fear that the department of employment is only going to be interested in them if they are seeking full-time employment, rather than part-time employment, as they would like to consider themselves on the market.

Senator RANDOLPH. I think this is a point that you draw which is very helpful. I believe that the U.S. Employment Agency perhaps is not looking at this across the board, as it were, but there is the opportunity for part-time employment; yet, a person fails to register and make himself available, or known as available; is that right?

Mr. SENSOR. Yes. I have many—now, the department of employment has been cooperating 100 percent with me. In fact, they have the information sheets there, and, when the older worker comes in, they have them fill them out and forward them to me.

However, my activity, as yet, has not grown to the extent that I can hire any large numbers. I have hopes in the future, we hope, so if you take the "hire the older people enterprise," the first letter of that spells "hope."

So, we hope that in the future we will be able to employ a lot more at the plant.

Senator RANDOLPH. Mr. Sensor, I would like personally to compliment you. I believe that your experience, your leadership in this effort, can be multiplied in at least scores and scores of other instances throughout California; maybe throughout the Nation. This program of hope for older people under a program such as you envision can become a reality.

Senator Moss?

Senator Moss. I have no questions. This is a most commendable enterprise and I am interested in hearing about it. I hope it continues to prosper and that it will grow as Senator Randolph has expressed. Thank you, Mr. Sensor.

Senator RANDOLPH. Thank you. [Applause.]

George Clifford Blake wants to tell the subcommittee his own personal experience. Mr. Blake, would you come before us at this time?

We are reaching, now, the closing minutes of the session, but we think perhaps to bring it down to a case in point would be appropriate.

STATEMENT OF GEORGE CLIFFORD BLAKE

Mr. BLAKE. Thank you. I appreciate your courtesy very much, Senator Randolph, Senator Moss. It has been very illuminating to hear all these expressions and I have enjoyed the conference and the hearing very much.

I happen to be on the other end of the line—that is, one of the unemployed who is possibly at the disadvantage of age.

You may not think I have much age, but I was 62 last February and I will be 63 February 2, 1964.

I was born and brought up in Pennsylvania; had a background of general mechanics from school on through practical experiences.

In 1935, I came to California and took a trade school course in auto-diesel in Los Angeles. Due to my previous background, I was immediately hired as an instructor in this trade school. I took trade school teaching techniques, extension work with UCLA each winter. I took additional courses of extension with both USC and UCLA in the Los Angeles area. I followed trade school teaching for 8½ years, mostly on automotive work.

After an experience in actual automotive maintenance work, I was hired by the University of Southern California to work in a supersonic wind tunnel installation at Fontana, on the grounds of the Kaiser Steel Co.

Shortly afterward, due to expansion of the steel company facilities, we were moved to Point Mugu. I then stayed with the same kind of work for 16½ years, when, in April of 1962, we were advised by BuWeps, the operating part of the R. & D. Section of the Navy in Washington, that our facility would be discontinued.

Immediately, we were assured that we would be placed in other employment as soon as possible, and as practical as possible.

Most of our people were placed; something happened to me. I have a stack of letters here, replies to applications, one of which I just showed Mr. Kunze, with all due respect to Lockheed Corp., and most of them were very polite brushoffs.

I felt that most of this was due to age. In fact, I was told that very definitely by some of the personnel people, and I felt that possibly this is due to the higher cost of casualty insurance coverage and many times these corporation have one of the hidden clauses in their contracts of compulsory retirement plans, where the corporation feels they must have the use of the employee for a certain number of years in order to finance this retirement cost.

Anyway, the sum total is that I have been unable to find employment in this particular line, so my friends advised going back to automotive work, which I did consider, but I have been away from it for 17 years; as most of you know, the automobile has undergone considerable changes.

I went back to my old trade school here in Los Angeles and made inquiries as to brush-up courses; to my amazement a 3-month course will cost more money than my complete course of 1935 cost, plus the living expenses, and then the counselor very definitely made it plain, which I realized, that you then have the disadvantage of age in trying to get employment.

So I haven't yet decided whether I should take this brush-up or this bringing-up-to-date work or not. I like automotive work; I have done all kinds of mechanical work. I have a complete résumé; I have plenty of copies. I will be glad to leave one with you.

At the present time I am doing odd jobs, like this gentleman spoke about, chauffeuring, taking people here and there. I do that.

I do yard work in Camarillo, Ventura County, in Thousand Oaks area. I like that work, but as far as monetary remuneration is concerned, it is a minimum level, a dollar and a quarter per hour, but I like the work and I have been able to exist on this kind of thing.

Now, I am not crying; I am not shedding any tears. I think we have the greatest country in the world, and I think that some of these things can be worked out.

Listening to all of this testimony, one thought occurred to me that possibly might be a concrete recommendation and not keep all of this negative, and that is in my attempts to secure employment I have contacted civil service; I have a rating at civil service and also with the Post Office Department as a substitute clerk carrier, from which I haven't had any response yet, but civil service did not have any age limit, except a minimum of 18 years, up to the retirement age, which I believe now is 70.

Possibly some statute could be set up whereby a private employer could get some assistance on the insurance cost of these older employees and possibly some help with the retirement costs. That was just a thought that happened to come to me as I listened to this testimony.

I still try to maintain a home in Camarillo. I have one son who is now in the Air Force, who liked the area. I hate to give up my home. It is in an expanding area. I have been trying to hold onto it because we are in such a state of flux that the real estate brokers, of whom I have two good friends, won't even quote me a price on my three-bedroom home because in 6 months' time it may change drastically, so if I can keep it I should, so I have been content to live and exist this way just in the hopes that it will be worthwhile later on.

Senator RANDOLPH. Thank you, Mr. Blake. [Applause.]

You have, in a sense, as we have heard it said, bared your soul. Sometimes, you know, it is easier not to talk in a personal way, but I think we are sustained by this type of testimony, strengthened by your, not only determination as evidenced, but your faith. This will help the committee, especially this subcommittee.

We wish for you some answers, not only to your personal problem, but through the experience you have given us today, some answers which can be more broadly applied.

Senator Moss?

Senator Moss. I agree. Mr. Blake has indicated that there still is a very real difficult problem that we haven't mastered yet in enabling people who have reached the age of 60 or 61 or 62 to go on in the field where they have great competence and where they have served with diligence.

The employers in many areas take a person of that age, because of the factors that exist, and we do need to give some hard thinking to it, as to how we can deal with it.

I thought it was a very fine statement.

Mr. BLAKE. This is one thing I might add—this is very brief and very up to date. I sent this résumé about 2 weeks ago, I was watching TV one evening and they had a program on some science topic particularly connected with Ames Laboratory and Moffett Field at Sunnyvale, Calif., doing wind tunnel research on the supersonic commercial transport plane, and it was mach 2.5 and 3, exactly what we had been doing at Point Mugu, so I sent them a copy of my résumé, and this is the letter I received back :

DECEMBER 23, 1963.

DEAR MR. BLAKE: This refers to your inquiry regarding employment at Ames Research Center. At this time we have no openings for which your qualifications are appropriate and no positions suitable to your background are anticipated in the foreseeable future. Your interest in employment with the NASA is sincerely appreciated.

Sincerely yours,

M. HELEN DAVIES,
Personnel Officer.

Senator RANDOLPH. You say you read that they needed such people?

Mr. BLAKE. Well, they showed the wind tunnel operation on the program. They came—they made the statement that there would be quite a lengthy program involved in the planning for this transport plane, so that was what prompted me, so I thought I had several copies of this résumé on hand so I would send them a copy with a letter, which I did.

Senator RANDOLPH. Thank you very much, Mr. Blake. [Applause.]

Before I ask Mr. Randolph Ehrman to come to the witness chair, I wonder, Mr. Ehrman, how long you think it would take you to discuss this matter of employment of elderly persons?

Mr. EHRMAN. I wish to only make a statement for the record.

Senator RANDOLPH. Thank you. If you will come, then, at this time.

Would you identify yourself, sir, and your organization?

STATEMENT OF RUDOLPH EHRMAN

Mr. EHRMAN. My name is Rudolph Ehrman; I am, as I mentioned before, only here to make a statement for the record about two organizations which I represent.

One of them is certainly well known to this committee, the American Association of Retired Persons, a 400,000 nationwide group with headquarters in Washington and founded by Dr. Ethel Andrus, another affiliated group of 200,000 retired teachers under the same management, both located in Washington, D.C.

The second organization I represent is the Hollywood Wilshire Committee on Aging, a 10-year-old organization of local government and public agencies from the Federal level down, concerned with the physical, emotional, and economic welfare of the community, with emphasis on senior citizens.

We have not had time to prepare a statement, but with your permission, we will send in a résumé of the past activities of this Hollywood-Wilshire Committee on Aging. The American Association of Retired Persons, the committee is well informed about.

This will give information about our latest activities, which is shared by myself, to get part-time jobs for senior citizens. The result of three paragraphs in the local press was 200 applications of senior citizens by telephone and by letter to me, which are in the stage of being processed.

We had made sure before we started to work in this field, to get the cooperation of the Government agencies, the State department of employment, which is a member of the Hollywood-Wilshire committee, because we want experienced and not ever so well inspired or intended amateurs to serve in this field. They have agreed and we are just starting rolling.

If I may, I will send a résumé only about the Hollywood-Wilshire Committee on Aging, the past, the present, and the future activities, to this committee. Thank you.

Senator RANDOLPH. We will be very glad to receive that. [Applause.]

Mr. Ehrman, if I may ask, how young are you in years?

Mr. EHRMAN. Seventy-three.

(The information referred to follows:)

HOLLYWOOD-WILSHIRE COMMITTEE ON AGING

The Hollywood-Wilshire Committee on Aging, which was formed in 1956, embraces the East Hollywood, Hollywood, West Hollywood, and Wilshire areas of Los Angeles. Its membership consists of representatives of some 35 social agencies together with lay leaders and senior citizens at large, totaling over 95 individuals.

The function of the committee is defined as being "a committee made up of subcommittees whose duty it is to collect and coordinate information relative to the problems of aging and then so to present these recommendations as to stimulate groups and organizations in the community to develop action programs in meeting these unmet needs."

During the past year the housing subcommittee has been active in studying the low income housing needs of the aging population. The employment committee has recruited applicants and employers and referred same to California State Employment Service for matching, counseling, and placement through the older worker specialists.

The health subcommittee has recommended a pilot chronic disease detection clinic for the early detection of chronic diseases for senior citizens. As a result, the Hollywood Health Center was one of the three district health centers selected for the pilot chronic diseases of the aged screening program.

The senior citizens counseling subcommittee is engaged in a pilot counseling and protective services program.

The committee is community centered and independent. The Los Angeles County Department of Senior Citizens Affairs services the committee through a consultant.

Senator RANDOLPH. We had hoped to have other persons testify in the hearing today. Those persons who have statements, I suggest they give them to Mr. Norman of the staff, and these will be placed on the printed record of the hearing, so that your statement will have the printed impact, even though it was not given here in public.

Are there several persons, Mr. Norman?

Mr. NORMAN. Yes.

Senator RANDOLPH. Those statements we would like to receive. If you do not have them in typewritten or penciled or pen form, we would receive them by mail and consider them as appropriate, if that is agreeable, Senator Moss.

Senator Moss. Yes.

Senator RANDOLPH. Those will be received for inclusion in the printed record.

We are grateful for the participation of the witnesses; we are cognizant of the time and study in preparing the material which has been presented to the subcommittee, and we also wish to recognize the attendance of those persons who are in the audience today, who are in the group that we call the elderly of this area of California.

Ladies and gentlemen, I operate, perhaps, a little more informally than some other chairman might operate; perhaps he operates more effectively, but I want to have you know that I feel very strongly about the contribution which older folk can make, not only to employment rolls, not only the structure of our society, but to a little of that which we can't place our hand on, which is the spirit of the Nation, and I hope I can have a little of it, too.

(Whereupon, at 12:30 p.m., Friday, January 10, 1964, the committee recessed to reconvene at the call of the Chair.)

(The following was subsequently received for inclusion in the record:)

STATEMENT BY ANNA W. HOCHFELDER

Earlier in this hearing, Mr. Karl R. Kunze, manager of the personnel general department of Lockheed, in Burbank, Calif., made a splendid address. The following statement struck a responsive chord in me:

"During the years, we have accumulated much evidence suggesting that chronological age is a deceptive, misleading, and unreliable indicator of employability. We can point to cases of enthusiastic, motivated, capable older employees. We see some young people 'running out of steam,' and some of their older counterparts with plenty of reserve energy."

He went on to decry the fact that there is so much emphasis on chronological age in the hiring process, I would like to carry the point further and say that there is too much emphasis on chronological age in the retirement process. In my opinion, it is not only unfair and un-American to use chronological age only as the basis for compulsory retirement, but it is downright cruel. I know whereof I speak, and can use my own experience as a case in point.

I had been a schoolteacher, a probation officer, an assistant corporation counsel of the city of New York for more than 10 years. After my "voluntary" retirement, my husband (also an attorney), and I moved to Los Angeles, Calif. At the age of 56, I took the California bar examination and was admitted to practice in 1940. After a few years of private practice of law, I took two civil service examinations, one for personnel technician, in which capacity I served for about 2 years, and then, after passing an examination for deputy city public defender, I was appointed at the age of 65, and assigned to the Lincoln Heights court.

I will brush aside the modesty. It is a matter of public record, to which my chief and the judges with whom I served can certify, that I served efficiently and faithfully, advising those with legal problems who came to the office for help, and representing defendants in court. Then one fine day, on April 30, 1953, after putting in a full day, busy interviewing and advising a steady stream of clients, I realized that I would not be permitted to return to my desk the following day, because I will have reached the compulsory retirement age. There was no recourse, no appeal. In spite of the fact that I liked my work, wished to continue, and was willing to submit to any test that I was physically, mentally, and psychologically able to continue to perform the required duties, I was out. My only crime, the only charge, that I had attained a certain chronological age.

That was 11 years ago. Fortunately for me, at the time of my forced retirement, my son, who is an attorney, took me into his office as an associate, and now, in my 81st year, I am still actively representing clients and appearing in court cases. Were it not for that opportunity, I probably could not have found

association in another law office, nor would it have been practical to start anew in private practice. I am not the type of person who can remain idle. I spent most of my life in the field of law, and loved it. To turn to some unfamiliar work or hobby would not be the answer. Elderly people were less employable at the time of my retirement than they are now since the Committee on Aging has come to their aid. One more personal point before I submit my suggestions on the subject of permissive versus compulsory retirement. Had I been permitted to remain on the job another 5 months, I would have completed 10 years in the city service, and become entitled to all the benefits of retirement living costs adjustments. As it is, my retirement pittance is static, no matter how many upward adjustments are made for those who served a minimum of 10 years.

Now, because there are an appreciable number in governmental agencies who are forced to retire because of chronological age only, in spite of the fact that they are willing and able to continue, I maintain that the law should be changed to provide for permissive retirement. Of course private employers are free to use discretion in this matter, and are not bound by inflexible laws. But Federal, State, county, and city civil service employees are discriminated against by law. So, why not, in fairness and justice, change the law? Laws, constitutions, and even the Bible have been revised. Why not provide for tests for employees reaching retirement age if they wish to continue to serve? We have a recent example of how President Johnson will solve a current case of compulsory retirement. Vice Adm. Hyman G. Rickover will be forced to retire on January 27, but will be recalled to active duty by the President immediately thereafter. Before appointment to a civil service position, a candidate must qualify—education, training, experience, and physical fitness requirements are set up for the various positions, and those whose applications are accepted are given appropriate tests, written or oral or both, to demonstrate their fitness. Candidates who pass the tests are placed on an eligible list and appointed as vacancies occur. After appointment they serve for a 6-month probationary period. If found satisfactory, the appointment becomes permanent. If thereafter an employee's services are not satisfactory, or his conduct is questionable, he cannot be summarily terminated. He is entitled to a hearing before the Civil Service Commission, and even if they find against him he has recourse to the courts for a review. But if the termination is because an able, experienced, faithful worker has reached an arbitrarily fixed chronological age, he has no recourse, he is out, deprived of a vested right to pursue happiness, without due process.

Our country's laws safeguard the rights of the accused, and even give one found guilty of even the most heinous crime, the right to appeal; to present extenuating circumstances; to petition for parole, or commutation of sentence or even pardon. But a person who has been blessed with good health and long life, and has chosen to serve in a governmental agency, with the glowing promise of tenure, has no redress when the fateful birthday arrives. I grant that there are those who, for one reason or another, can't wait until they are eligible to retire. Some even dislike their work, but fearing they will not be able to get another job, hold on until they are retired. "Thank God," they say, "now I must quit". Some feel old and tired and want to rest. Some who have saved a competence and wish to travel. Oh, there are many reasons why release is looked forward to by many workers, but there are those who enjoy their work, regardless of age. There are those who have assumed the responsibility of some needy and helpless member of their family, and for whom the reduced retirement income is a deprivation. For such, then, when they reach retirement age, should there not be some way to demonstrate their ability to continue, if they so desire? Why should not civil service agencies set up an examining board to hear requests for permission to continue in their jobs, a sort of terminating board, similar to that set up for conducting entrance examinations? The requirements for such tests may be made as stringent as necessary, provided they are applicable to the job—mental, physical, and psychological. Surely the agency involved has nothing to lose, because if the applicant fails to meet the tests, his plea for continuance fails. But if he qualifies, then the agency has much to gain, for it will continue to have the services of an experienced worker in whom an investment for experience has been made, and who is ready to pay off, instead of waiting for a new and inexperienced worker to take his place. Surely such retirable eligibles are not so numerous as to make the plan cumbersome, and it would

give each individual the dignity and recognition to which he is entitled. The glory of America is that the rights of the individual are sacred and should be safeguarded.

Rigidity in sentencing criminals has been found ineffective, hence the indeterminate sentence. Rigidity in the retirement law because of chronological age only, is un-American and arbitrary. In these changing times of a more abundant life, and a longer lifespan, judging a person's ability according to his chronological age only, is an anachronism.

In conclusion, let me touch upon two arguments I have heard most often against my proposal. First, that the older worker must make way for the younger, "Why?" I ask. I think we might as well say that the millionaire should stop making any more money, because the poor should be given the opportunity to step into his shoes. I can think of many more good reasons why that argument is untenable. Think some up yourselves, you oldsters.

Secondly, it has been argued, that if a prospective retiree were given a qualifying test for continuance in his job, and he failed to pass, it would have a bad psychological effect on him. What about the ill effect upon his ego, when he feels and is willing to prove his fitness and he is not permitted to do so? We might as well argue that younger people who are permitted to file for certain examinations and fail, should not be permitted to try, to avoid a bad psychological effect failure might have upon them and they might become discouraged. Youth is resilient, and has greater opportunities to look elsewhere. An oldster does not.

